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THE SHOWER OF GOLD

Housing - Federal

Jupiter, if our memory serves us right, appeared to Danaë in a shower of gold.

With the enactment of the new legislation at Washington appropriating \$3,300,000,000 to be expended in public works—among which are included low-cost housing projects and slum clearance schemes—it must indeed seem to those who are advocating such projects in different parts of the country as if our present-day American Jupiter were indeed appearing in a shower of gold. At any rate, we feel sure that they hope that such a shower may rain down employment and good fortune upon their communities.

Just what is to happen under the new enactment in so far as slum clearance or low-cost housing is concerned is still clouded in the mists of obscurity. At the time of publication the only information obtainable was the enactment of the new law making this vast sum available for public works of various kinds with the immediate setting up of an "Administrator" to carry out the vast schemes involved in it.

The new Act supersedes the Emergency Relief and Construction Act of 1932 enacted about a year ago, the primary purpose of which was:

To relieve destitution, to broaden the lending powers of the Reconstruction Finance Corporation and to create employment by providing for and expediting a public works programme.

The new enactment devotes itself entirely to encouraging the construction of vast public works for the sake of providing employment and to industrial recovery throughout the nation. It is not a relief measure, used in the sense that is associated with the grant of public funds for relieving distress. That under the new dispensation is covered in another bill.

The new bill introduced by Senator Wagner on May 17th (Senate 1712) and now a law, having received President Roosevelt's signature within the last few days, is entitled:

An Act to encourage national industrial recovery, to foster fair competition, and provide for the construction of certain useful public works, and for other purposes.

In the guise of dealing with a national emergency the President is empowered, practically, to take control of the business and industry of the entire country in the public interest and restore them to a normal basis.

The details of this measure and the far-reaching departure from the accepted practice of the country and from the well-recognized principles of our institutions, while having every interest for our readers as citizens, are not matters that primarily concern this journal.

HOUSING AND SLUM CLEARANCE

The measure, however, contains provisions specifically authorizing the use of the vast public funds provided by it, viz: \$3,300,000,000 for

the construction under public regulation or control of low-cost housing and slum clearance projects.

In addition, it makes eligible for such funds any similar projects that heretofore may have been eligible for loans under the Emergency Relief and Construction Act of 1932.

Under the new Act the Reconstruction Finance Corporation ceases to function as an agency determining the nature of the public works for which grants or loans are possible under the new law. Hereafter, the R. F. C. will function chiefly as a financing corporation for purposes of this Act and other acts.

In future, the determination of what money shall be appropriated out of this vast reservoir of public funds for low-cost housing and slum clearance projects will be determined by the "Administrator" appointed by the President.

That the new Act will in all probability function more effectively than did the Emergency Relief and Construction Act, so far as encouraging and aiding slum clearance and low-cost housing projects is concerned, would seem obvious. For it contains no "legislative straight-jacket" such as the earlier act contained.

As was pointed out in these columns in a recent issue,* the detailed provisions that had been written into the enactment of a year

* See "*Housing*", October, 1932—pp. 179-183.

ago for the purpose of safeguarding the conditions under which public funds might be used for housing and slum clearance have served only as an obstacle to action. The requirements of that law which provided that funds for housing and slum clearance projects could only be available to corporations "regulated by law as to rents, charges, capital structure, rate of return, and areas and methods of operation" had the effect of making it necessary to seek legislation in each of the 48 States, excepting New York, before any housing project could qualify for Federal funds.

Discussing the limitations involved in this restriction we said at the time in these columns:

When one considers the efforts that have been made in the various states since the Emergency Relief Act was enacted last July to bring about the enactment of laws that would permit housing corporations to receive federal funds, and the opposition that has arisen to such legislation, the question frankly arises whether the conditions that were so hastily written into the federal statute are not proving a legislative "straight-jacket".

Is it necessary or desirable to make the effort that will need to be made to secure the passage of laws in 45 different states in order to have the country as a whole avail itself of the funds that have been appropriated?

Cannot some better way be found of securing the safeguards that are necessary to sound practice and wise procedure by some method that will not make progress so difficult as to be practically impossible?

It is now October. It will be two months before any of the legislatures meet. Even if the necessary legislation could be prepared in each of these 45 states that are now without such laws, and be ready on January 1st for introduction in the legislative bodies of those states, it would be another two months or more before such bills could be enacted into law, assuming that they would find favor at the hands of the legislators in the various legislative halls—an assumption that we are sorry to say does not seem to be warranted.

It would probably be a month in most states before such acts would take effect and before the members of the Housing Boards created under such acts would be appointed. It would in all probability take such Housing Boards another month to even begin to learn their jobs and to formulate and consider housing projects for submission to Washington. In other words, practically half a year will elapse before there is much likelihood of this reservoir of public funds which has been made available for housing and slum clearance being utilized outside of New York and Ohio. In that time the money is likely to be used for other purposes.

May it not be that there is some better way of accomplishing the results desired? As the Reconstruction Finance Corporation must take the ultimate responsibility for the funds which it grants for housing purposes, why is it necessary to supplement their action by the action of unrelated and quite differently constituted official boards in 48 different states?—each one with perhaps a different approach to the problem and with different standards, and certainly with different and varying backgrounds of knowledge of the situation.

We went on to suggest that, in place of these detailed provisions of the Emergency Relief Act governing the appropriation of funds for such purposes, it might be more advantageous to the purposes of that statute—namely the stimulation of employment—and to the cause of housing and slum clearance, if in place of these very detailed provisions there were substituted a few broad safeguards, such, for example, that loans should be self-liquidating, that the rate of interest should never be less than the money cost the Government to obtain, leaving further details to the Reconstruction Finance Corporation; which, as we pointed out, would have to bear the ultimate responsibility for the loans they made, in any event, and who therefore could be safely entrusted to impose the conditions necessary for the protection of these public funds and the interests of the tax-payer.

NO LEGISLATIVE STRAIGHT JACKET

The suggestions that we made 8 months ago have been carried out in the new law. There are none of the onerous details to be found there that were present in the enactment of a year ago; and this is as it should be in a statute the primary purpose of which is to create employment—to remedy an emergent situation.

Under the new enactment all such details are matters of administrative policy. All that is necessary for a scheme to qualify under the new Act is that the construction in question—whether low-cost housing or slum clearance—shall be “under public regulation or control.”

That the prediction made by us last October has proved true is now evident. Not only a 6-months’ period has elapsed before any housing project has been started, but even a greater time. It is now 8 months; and only 2 housing projects have been approved under the existing act—both of these in New York City—and only one of these is going ahead, that of the so-called “Knickerbocker Village” project in the New York Lower East Side. The other, a project for the development of an undeveloped area in the Bronx by the Hillside Housing Corporation, has been held up because of opposition to the scheme, and especially to its tax-exemption features, by the New York City authorities.

In addition to these two schemes that have been approved by the Reconstruction Finance Corporation there are now pending before that body 7 other projects. Four of these are in New York City. One is the large scale scheme for the rebuilding of a considerable portion of New York’s Lower East Side involving a loan of nearly \$41,000,000. from the Federal Government. Another is for a project in the Bor-

ough of Queens involving a loan of over \$5,000,000. Two others are in Brooklyn involving, respectively, loans of \$660,419 and \$2,074,079.

In addition to these projects for New York City, the R. F. C. still has pending before it a project for the city of Cincinnati* involving a loan of \$650,000, and two projects from Cleveland—one involving a loan of \$3,461,000., another involving a loan of \$4,745,338.**

THE LEGISLATIVE GRIST

As we predicted, much effort has been spent throughout the country trying to secure the enactment by various legislative bodies in the different states of laws creating State Housing Boards with power to regulate limited-dividend corporations that might be created largely for the purpose of securing Federal funds. Whether all this effort has been wasted remains to be seen. Whether it has helped the cause of housing or has hurt it remains to be seen. The results have been rather meagre. Only 8 states have passed housing laws of this kind—not withstanding all the flogging of the public interest which there has been in the effort to get such legislation enacted.

The states*** in which such laws have been enacted are Arkansas, California, Delaware, Florida, Kansas, New Jersey, North Carolina, South Carolina, and previously in New York, Ohio and Texas.

In the states of Indiana, Massachusetts, Missouri, Oregon, Pennsylvania and Tennessee and in the District of Columbia such legislation definitely failed. While in the states of Illinois, Maryland, Michigan, Minnesota and Wisconsin bills of this kind were pending at the time of publication; in Maryland and Minnesota they had failed of passage in one House.

While most of these laws and proposed laws have been based upon the New York State Housing Law enacted in 1926, they naturally have been modified in each case in numerous respects. In one state the tax exemption feature—so prominent and important a part of the New York Law—has raised great opposition; in others it has been something forbidden by the state Constitution and in such states it has had to be omitted.

In some states the proposal to give the power of Eminent Domain to private corporations has naturally aroused great opposition and that provision of the New York law will not be found in the legislation that has been there enacted. And so it goes with other features of that law.

* See page 140.

** See page 110.

*** We are indebted for this information to Charles S. Ascher, the Public Administration Clearing House, and Commerce Clearing House, Inc.

Whether State Housing Boards will be set up in the states where the new laws have come into being remains to be seen. It will depend very largely upon the kind of organization that is set up in Washington by the "Administrator" in connection with the use of Federal funds for housing and slum clearance projects under the new Act. So far, the only State Housing Board that has been set up under these new laws is that in Ohio,* but that is naturally to be expected in view of the comparatively recent enactment of the statutes authorizing their establishment in the states in question.

THE EDUCATION OF THE "EXPERTS"

One of the interesting by-products of all this agitation has been the attention that has been given to a comparatively new field by a number of men who have begun to show an interest in housing in recent years. It may be that that alone may have been worth the expenditure of the time and energy that has been put into this effort to secure legislation.

If the number of persons interested in housing is to continue to increase, it is obvious that those who are looked to for leadership in this field should have a wider and larger knowledge of the subject than their experience heretofore would have given them. Slum clearance and low-cost housing projects developed with hundreds of millions of tax-payers' money are too important matters to be dealt with lightly by "library experts" of housing reform.

It is encouraging, therefore, to find such men as Louis Brownlow and Charles S. Ascher—neither of whose field is housing or any of its allied branches—actually discovering that the New York State Housing Law is not something *sacrosanct* and that it will not do for other states without very considerable modification.

Mr. Brownlow in an introduction published in the *National Municipal Review* for February to a considered discussion of the subject by Mr. Ascher points out the unwisdom of following the New York statute.

What he has to say on this point is worthy of serious consideration by everyone taking up this phase of housing as a new subject. Discussing the question of using the New York State Housing Law as a model he says:

NEW YORK LAW NO MODEL

This procedure will not do—for two reasons: First, because the proposal to create a new kind of corporation with peculiar privileges

* See article on Ohio Situation, page 110.

and limitations, to regulate its activities, to confer upon it the power of eminent domain or tax exemption, and to create a new administrative agency, cuts athwart the whole existing body of constitutional and statutory law of the state. The tax laws, blue-sky laws, general corporation laws, administrative code, civil practice act, laws governing the relations between administrative tribunals and the courts, the planning and zoning laws, the laws regulating the exercise of eminent domain, as well as the state constitution and the state courts' interpretation of these instruments—all must be considered before it is safe to say that a clause in the New York Law, or any other "model", however choice, can safely be taken over.

The second reason for not copying the New York Law directly is that, far from being a model, it was so disjointed a set of remnants after an unfriendly legislature had lacerated the organized and unified proposals of the Governor's Commission on Housing, that the governor hesitated long before signing the act.

He further says:

The long-range view in preparing a low-cost housing bill should accordingly extend beyond New York's by no means conclusive experience and beyond the credit device now rather falteringly proffered. Specifically, a law now to be enacted while it should, of course, enable one of its creatures to receive help from the Reconstruction Finance Corporation, should be framed flexibly and broadly enough to meet the other needs of the situation.

The primary purpose of a low-cost housing law is to provide adequate dwellings at the lowest possible cost to the mass of the population having the lowest family incomes. Simple as this sounds it is the only true touchstone by which to test the soundness of the provisions of the law.

Up to the present, for whatever reasons, private enterprisers under *laissez-faire* have not met this need. Instability and its consequent risk have led the investor to put a high premium upon his contribution—whether money or land. With relation to private capital, then, the objective of a housing law is either to frame a picture of stability or to hold out some compensating attraction so as to induce a large flow of capital which will accept a low return—not in order to provide new channels for safe investment, but to provide low-cost housing.

HOUSING NOT A PUBLIC UTILITY

Mr. Brownlow also discusses the attempt being made in some quarters to bolster up some of the provisions of legislation of this kind by a legislative declaration that housing is a "public utility". On this point he has the following to say:

Those who use that phrase seek to evoke a type-picture which will make regulation of housing fit the emotionally acceptable pattern of regulation of other activities—with which they seek to establish an analogy. There is, of course, one important difference between housing and other utilities—in consideration of tax exemption, the right of condemnation, the extension of public credit or other special privilege,

the State is to set the maximum return to the investor in housing and regulate his operations. But the State does not propose to guarantee him a minimum return by granting him an exclusive franchise or by requiring a certificate of necessity for all prospective competitors.

Mr. Ascher's article which is entitled "*Elements of a Low-cost Housing Law and Its Administration*" has been published by the *National Municipal League* as a reprint from its February issue. It can be obtained upon application to that organization at its New York Office, 309 East 34th Street.

It is a thoughtful and provocative document and a sincere attempt to provide information that will be genuinely helpful to persons seeking the enactment of housing legislation establishing control of limited-dividend corporations through State Boards. It is also a genuine effort to help such persons to avoid the pitfalls that will otherwise be encountered in that attempt.

"THE ELEMENTS OF A LOW-COST HOUSING LAW"

The article is what it purports to be—a discussion of the *elements* that enter into such a statute, and is not an attempt to furnish a model or standard law for adoption or enactment in the several states.

A statement of the main topics treated in this discussion will give an excellent idea of its scope. These are:

Before Drafting a Low-Cost Housing Law; Formal Aspects of Draftsmanship; Objectives of a Low-Cost Housing Law; Creation of an Official Administrative Agency; Creation of a Class of Corporations; Approval of Housing Projects; Control of Rents; Miscellaneous Aspects of Control; Public Lands for Housing Corporations; Condemnation; How to Make Housing Laws Effective.

As illustrative of the method employed by Mr. Ascher in presenting the important aspects of this question one may cite some of the details of his first category which bears the heading "*Before Drafting a Low-Cost Housing Law.*" Under this heading it is suggested that the following steps should be taken: that the state constitution should be checked for provisions concerning various items; that the statutes should be similarly checked with regard to tax laws, corporation laws, condemnation laws, blue-sky laws, laws regulating building, planning and zoning laws, municipal home rule laws, mechanics' lien laws and mortgage foreclosure laws, the State administrative code and the civil service law, the Code of civil procedure or civil practice act, and the decedents' estates law, insurance law, banking law and civil code.

If the amateur drafter of legislation survives this experience, then it is suggested that he should check the decisions of the high court of the state.

We do not by any means intend to incorporate here the text of Mr. Ascher's most interesting discussion but would refer all persons who are interested in the subject to that text for study and consideration.

That the discussion naturally lacks the authority and value that it would have if it came from a person with many years' experience in the housing field is evidenced by Mr. Ascher's failure to comprehend the important aspects of slum clearance involved in the Prudential development in Newark of a model housing project in connection with a public park and playground. He cites the decision of the New Jersey courts which has little significance, but fails to appreciate the significance and value of the scheme.

If many states are to enact Housing Laws establishing State Housing Boards with power to regulate limited-dividend corporations and conferring upon such corporations the privilege of tax exemption and the power of eminent domain, it is obvious that this discussion of the subject will prove of value.

We are very much in doubt whether housing development in this country is to come along these lines. There has been nothing heretofore to indicate that in normal times there would be any very considerable sums of money to be put into housing under these conditions. Notwithstanding the great publicity some of the New York limited-dividend schemes have received from the press, there have been comparatively few to follow their example; and, certainly, there has been no inclination in other states throughout the country to go and do likewise, until urged to take advantage of the possible grant of Federal funds to be spent in their state—a lure which few states and few American communities apparently are able to resist.

With the repeal of the Emergency Relief and Construction Act provisions requiring state regulation of housing corporations that receive Federal funds we are inclined to the view that the necessity for legislation of this kind will no longer exist and that very little effort will be made to obtain it.

HOUSING PROJECTS WITH FEDERAL FUNDS

A review of the housing projects for which Federal funds have been authorized sheds considerable light on the questions involved in this whole subject; and indicates rather strikingly some of the dangers

inherent in this departure from American institutions and from previously accepted principles of government, and likely to be encountered in embarking upon these new and uncharted seas.

As already pointed out, there are but two housing projects for which the R. F. C. has authorized the use of Federal funds. These are the Hillside Housing Corporation in the Bronx in New York City for which the R. F. C. has agreed to advance up to the sum of \$3,957,478. and the "Knickerbocker Village" project on the site of the famous "Lung Block" in New York's Lower East Side for which R. F. C. funds have been promised up to \$8,075,000.

The granting of Federal funds for the first of these projects aroused such a storm of opposition on the part of real estate interests and competing owners of apartment house property in that Borough that, almost immediately after the announcement of the approval of the application by the R. F. C., the city authorities in New York requested the withholding of this approval until they could go into the subject more thoroughly—having given no consideration to it whatever up to that time.

This situation illustrates forcibly the inherent objections to the method of functioning employed in New York City. Under the New York law if a group of men wish to form a limited-dividend housing corporation all they have to do is to get together and form it and submit their plans for their project to a *State Housing Board*. If the State Housing Board approves of these plans, then *automatically* the project will be exempt from taxation on the buildings for a period of 20 years—no matter how much loss in revenue to the City may be involved in it, nor whether the city officials approve of it or not.

A "BLANK CHECK" TO WRITE OFF TAXES

A "blank check" is thus given by the State Housing law to the promoters of such enterprises to write in tax exemption to any amount they want; for, the mere approval of the scheme by the State Housing Board automatically brings about such tax exemption.

When the New York City ordinance permitting tax exemption was adopted some years ago there was no thought of a situation where vast Federal funds would be made available for a very substantial part of many housing projects.

Under the circumstances it is not surprising to find strenuous opposition raised to the Hillside Housing project; for, this is a development on vacant land in the outskirts of the city in a section that today is only slightly developed and is more than sufficiently supplied with housing

accommodations of the kind contemplated. Naturally, owners of apartment houses and flats in that section of the city do not view with equanimity the proposal to build along side of them vast new buildings containing every modern convenience and enjoying the great advantage of tax exemption for a 20-year period and the use of Federal funds at a comparatively low rate of interest.

Since this project was announced, the New York city authorities have taken action that practically nullifies the authorization of this loan by the Federal authorities; for, they have modified the local tax exemption law so as to overcome the defects that have been pointed out. The old law has been repealed and a new law has been enacted by the local municipal legislature. Under it no housing project will receive tax exemption in future unless it is specifically passed upon by the Board of Estimate and Apportionment after reports by certain public officials and certification by them that the scheme is in a congested slum area.

The other scheme for which Federal funds have been granted, in the form of a loan of \$8,075,000, is the so-called "Knickerbocker Village" development projected by a company that has specialized in building chiefly "service" or non-housekeeping apartments in the lower Park Avenue section of the city.

Some years ago this Company developed the so-called "Tudor City" in the mid-town section of Manhattan around the East 42nd Street neighborhood. These operators shrewdly selected a neighborhood so located that the persons who were to live there could conveniently walk to work to the many office buildings in mid-town Manhattan—a neighborhood from which access was also easy to the theatre and shopping districts. In this section they bought up considerable property, occupied at the time by old type tenements that had little value and by rather dilapidated commercial and factory buildings. When this property was purchased land was cheap and it was a simple matter to acquire the amount of land needed.

INVADING THE SLUMS BY A NEW CLASS

In a word, what these developers did was to transform a low-grade, run-down tenement and factory section into a new, modern, high-class apartment house section—not housing at all the same class of people, but a totally different class; driving the occupants of the old tenements out into the outlying sections and replacing the existing 3, 4 and 5 story buildings with 20 story skyscrapers.

Being permitted to overload the land far beyond any economic necessity with new skyscraper apartment houses, land values in this

section of the city increased by leaps and bounds—so that the venture proved a profitable one for those promoting it. Whether it has been equally advantageous to the city remains to be seen. There is no doubt that the accommodations provided in this development are admirable of their kind and that the people who rent apartments and live there find it a pleasant place in which to live; but the buildings are much too high—far beyond any necessity—and set a trend in that neighborhood that is likely to be followed by other developers—a trend that will ultimately be injurious to the city.

This same group of promoters a year or so ago started in to buy up quietly through dummy corporations and obscure individuals vast stretches of property on the Lower East Side with the idea of developing it in similar fashion. With the advent of the Depression it became impossible for them to finance this ambitious project and the scheme was abandoned for the time being.

Recently, the promoters of this project have asked a loan from the R. F. C. for the development with Garden Apartments of a modern type for the white collar class of two blocks on the Lower East Side—the famous so-called “Lung Block.”

The two blocks in question extend from Cherry Street to Monroe Street and from Catharine Street to Market Street. In other words, the property is one long block in length by what has been heretofore two blocks in width, one of them being the normal width of block and the other being a triangular and narrow block—an elbow-shaped street, known as Hamilton Street, running only the distance of one block intervening between the two. This the projectors of this project expect to close and have asked the city to practically give them this valuable bit of land now devoted to street purposes. It is understood the city intends to do this for practically a nominal consideration and there is even talk of conveying the street to the developing company for \$1.

For this project—which has achieved considerable popular support because of its wiping out the famous “Lung Block”—the R. F. C. has agreed to loan \$8,075,000 for the erection of modern apartments.

Not only the State Housing Board, but the local authorities, through the Board of Estimate and Apportionment, have recently approved the proposal and have authorized tax exemption for a period of 20 years for the new buildings to be erected upon this site.

DEBUNKING THE “LUNG BLOCK”

While there is no question that the site of the famous “Lung Block” should be cleared and that it will unquestionably be to the

advantage of the community to have the existing buildings on that site destroyed, there has been an awful lot of false sentiment and public misinformation with regard to this famous block.

The popular belief is that the block in question many years ago received the designation of "Lung Block" from the people living in that district, because of the great prevalence of tuberculosis in the houses in it. This was never the case—though the public firmly believes it. And we doubt if anything that can be said now can disturb that misconception.

It was first dubbed the "Lung Block" by an imaginative writer who has now become one of our accepted writers of fiction and the author of many "best sellers." Early in his career he was writing up this section of the city and the need for tuberculosis prevention work. Walking along in this neighborhood, which was occupied at that time, as today, by Italians, he constantly encountered the expression the "lungo block" and without knowing Italian and without taking the pains to verify his delightful inference, which must have seemed like manna in the wilderness to a writer, he at once assumed that the block was called the "Lungo Block" or "Lung Block" because of the great prevalence of tuberculosis in it. Whereas, if he had known a little Italian he would have quickly discovered that "lungo" is the Italian word for "long"; and that the block in question was called the "lungo" because it was a longer block than most of those in that neighborhood.

We regret having to disturb the popular belief that the "Lung Block" was so called because of the great prevalence of tuberculosis there, but this is perhaps as good an occasion as any to let the real facts be known.

In any event, the site of the property is a slum and should be cleared.

Whether it should be cleared in the way that is now proposed is another question.

What is happening with this project in New York raises in striking fashion the whole question of whether we are dealing with this vast problem of slum clearance in a way that will prove satisfactory in the long run, or whether we are dealing with it in a way that is amateurish, sketchy and crude, and will plague us in future years.

WHAT IS PROPOSED

On the site in question—now occupied chiefly by 5- and 6-story old-law tenements many of which were built 50 years ago or more—it is proposed to erect two groups of 12-story Garden Apartment houses to

be occupied by the "white collar" class. The buildings will of course be fire-proof in view of the fact that they are rising to a height of 12 stories. The plan proposed contemplates the housing of some 1662 families in 6030 rooms to be rented at an average rental of \$12.50 per room per month. One of the buildings is to be built around an interior garden or park, 131 feet in width by 245 feet in length. The other building is to be built around a similar interior garden of the same width but slightly less in length, being but 215 feet instead of 245 feet. Between the two buildings running from street to street is to be an open playground 100 feet in width by 350 in length.

The plans for the buildings on the whole show a good design—not that these plans could not be bettered, they easily could. The new apartments—as the rental quoted indicates—are for a totally different class of people from the class of people who now live in this neighborhood. At the present time, not only the occupants of the buildings on this site that are to be destroyed, but the occupants of all the neighboring buildings in every direction for several miles, are of a similar class—working people of the low income group, mostly aliens of different nationalities.

THE OBJECTIONS TO THE SCHEME

Here in the midst of this vast foreign colony of the lowest income group of working men it is proposed to ask "white collar" people to make their homes. While the redevelopment of this neighborhood by a "white collar" class is the proper development for it, we very seriously question whether it can be successfully done in the piece-meal fashion proposed. It seems to us that any such plan is headed for disaster.

Is it likely that clerks and the higher paid artisans and their wives will be willing to settle in this kind of a neighborhood; to bring up their children with the children they will find in such quarters; to live in a slum; to have to gain access to their homes by passing through a slum for a very considerable distance; to live in a neighborhood where they will not find the community facilities that they consider essential; to live where there is not the right kind of shops, the right kind of food supplies, the right kind of recreation, the right kind of schools, the right kind of environment?

The only way in which to clear a slum and resettle it with a totally different class of people is to do it on a much larger scale than is proposed here. We think the projectors of this development fully

realized this when they started in to acquire a very considerable portion of the Lower East Side.

The larger scheme for the Lower East Side still pending before the R. F. C.—known as “Rutgers Town”—and which involves a loan of nearly \$41,000,000 is a much wiser way in which to proceed. That scheme involves the clearance of a very considerable area and the reconstituting of an entire new neighborhood. The “Knickerbocker Village” scheme as being developed does not do so. We frankly fear that it is destined to fail.

AN EXCEEDING HIGH MOUNTAIN

More serious, however, than this consideration is the fact that here—in a section that is now developed with nothing taller than 6-story tenements—it is proposed all of a sudden, at a jump, to double the height of the prevailing buildings and to erect 12-story buildings.

The projectors of this scheme have submitted no supporting evidence to justify, either on an economic or a social basis, the erection of such tall buildings in this locality. But the State Board of Housing, the local authorities and Washington have quietly accepted this proposal—raising no question as to the desirability of developing the slums of New York with 12-story tenements as the future type of dwelling of that part of the city.

THE “PANIC HAZARD”

Nor has any consideration been given by any of these public bodies or officials to the fact that no *tenement* population anywhere, in any part of the civilized globe, has ever lived in 12-story buildings. They have never lived in buildings higher than 7 stories. It is a very serious question—no matter how fire-proof such buildings may be built—whether it is wise or desirable to house this element of the population in buildings of such excessive height. There is not only the fire danger but the “panic hazard;” and, though the buildings may be built fire proof and equipped with elevators, there is no doubt that with certain elements of our population living so far removed from the ground, in the event of fire breaking out—as it often does even in fire-proof buildings—a serious panic might result that would be terrible in its consequences.

A BARRIER TO OCEAN BREEZES

More serious, however, is the fact that it is proposed with the aid of the Federal Government, of the State Government and of the

local authorities in New York to build a gigantic wall towering 120 feet up into the air that will shut out light and air from the surrounding dwellings of the people—not merely for many blocks, but literally for miles. The cooling sea breezes in summer, so terribly needed in New York City, when this building is completed, will be denied thousands of people who get them today.

Moreover, it will set a tendency and establish a standard of height for this section of the city that will mean the multiplication of such horrors. Let no one imagine for a moment that a single building such as this can be built 12 stories high without other builders following the new standard. If these buildings are once erected and are successful commercially—if only for a while—other builders will erect similar buildings and gradually the whole section of the city will be occupied by buildings 12 stories in height. Irrespective of the fact that there is no necessity for building to such an excessive height, and the great undesirability of thus concentrating the population in a limited section of the city, the evils resulting from the diminution of light and air are so serious as to make it imperative that this project should be stopped before it goes further.

It is a striking commentary that not a single voice has been raised against this project.

DENSITY POPULATION TREBLED

Another serious consequence of this development is the increased concentration of population that it will bring about in a district which has been notorious for years for its overcrowding and undue density of population. Today there are living on this site, according to public statements published recently, some 3000 people. These 3000 people are to be displaced, scattered, to go where they will, and on the same site in these new buildings there is to be housed a population of over 8000 people. The density of population, therefore, on this area of ground—notwithstanding the provision made for open spaces—will be increased almost three-fold.

THE FINAL IGNOMINY

As if these objections were not enough, there remains the final objection that these new buildings are to be exempt from all taxation for 20 years to come. The tax-payers of the neighborhood and of the rest of the city are to be called upon to carry the burden of taxes which the occupants of these new dwellings will be relieved from paying—and this, notwithstanding the fact that these new occupants of the

“white collar” class, will be quite able to pay their taxes, and should pay them, instead of loading them upon people poorer than themselves.

By no conceivable stretch of the imagination can justification be found for the tax exemption of *such* buildings. It is one of the serious defects of the New York State Housing Law that tax exemption is not only permitted but encouraged for projects of this kind. There may be some justification for such disguised subsidy where slums are cleared and their former occupants are re-housed on the same site—as is done in England—or when the same class in the industrial and social scale are re-housed on that site; but there is utterly no excuse for subsidized housing for people of the “white collar” class.

CUI BONO AND QUO VADIS?

We have gone into the details of this first project to receive a grant of Federal funds for “slum clearance and low-cost housing” because it seems to raise so squarely the questions that are involved in this great departure from recognized principles of government in this country.

It may be that the authorities at Washington went into all these questions and had cognizance of the dangers and difficulties involved in this project. It may be that the local authorities in New York City carefully considered them; but, if they did, such fact has not been disclosed.

We are frank to confess that we do not believe that these questions have ever been raised in the minds of those officials who have passed upon the project. They are fundamental questions that need to be raised—not merely in this project, but in every slum clearance project that will come before the Federal authorities for the loan of the taxpayers’ money, or for subsidies from the Federal Government, not loans but gifts.

The discussion of some of the elements involved in this project has had the effect of bringing to public attention the whole question of whether tax exemption for such buildings is desirable. As a result of the approval by the R. F. C. and by the State Housing Board of the Hillside Development in the Bronx, new litigation has been started in the courts seeking to test the validity of such action, on the ground that under the terms of the statute the State Housing Board can only concern itself with projects in slum areas or “adjacent thereto”; and that projects developed upon almost virgin acreage in the outlying sections of the city cannot by any stretch of the imagination be so classified.

It is rather shocking to find counsel for the State Housing Board contending in the courts that such property is "adjacent to" a slum area and that this term as used in the statute does not mean what it says in plain English.

At the time of going to press this litigation had not been decided in the court of first instance. It undoubtedly will be taken on appeal to the highest court of the state. What decision will be reached there is difficult to predict.

The whole discussion and litigation raise squarely the question whether tax exemption should longer be continued in New York State for projects of this kind. It was never anything other than a disguised subsidy and far more insidious than a direct one. As pointed out by Thomas Adams in his Report on the Regional Plan of New York the amount of subsidy granted in this way exceeds the direct subsidy given to housing projects in England.

WASHINGTON SHOULD STOP, LOOK AND LISTEN

It seems to us that this New York East Side housing project of "Knickerbocker Village" points a moral and adorns a tale and should make every advocate of the use of vast Federal funds for slum clearance projects "stop, look and listen". The dangers which we have pointed out are by no means limited to New York City. Exactly similar problems will arise if slum clearance is undertaken in other communities. Elsewhere in this journal* will be found an article describing the plans that have been made in the city of Cleveland for slum clearance on a vast scale.

One of the projects there developed has been developed by an architect who until recently had never even given thought or consideration to the question of housing, but had concerned himself with a totally different field of architecture. And yet, without first hand knowledge of how the working people live, gained through long years of close contact with such people, without knowledge of what has been done in other communities, without consideration of the problems that are involved in slum clearance work, this architect has not hesitated to prepare plans for the new houses that are to be built with the tax-payers' money to take the place of the present so-called slums—and in Cleveland "blighted areas."

* See page 110.

BED-ROOMS NO BETTER THAN PRISON CELLS

His plans published in an architectural journal contemplate living accommodations in which the bedrooms are only 5 feet 4 inches in width by 8 feet 9 inches in length. The kitchen is of similar dimensions. In other words, bedrooms and kitchens are only slightly larger than the ordinary bathroom. The rest of the apartment space is thrown into one gigantic "living room" 11 by 20 feet in size.

Just where this architect got these extraordinary ideas of how people live and of what is desired and desirable in the living accommodations of the working people is not disclosed.

But we note that one of the projects for which Federal funds have been asked is a project developed by this very architect.

Thus far, so far as we are able to discover, not a single voice has been raised in Cleveland against this project. Everybody is hypnotized by the slogan of "Let us get rid of the slums" and when an architect speaks the average citizen thinks that an "expert" is talking. He may be a very admirable architect and may know how to build school buildings, theatres and office buildings; but the fact that he is an architect does not, necessarily, qualify him to speak with authority on the subject of housing—an extremely complex subject with many ramifications and aspects.

WASHINGTON MUST HAVE STANDARDS

It is quite obvious from these two illustrations taken from two different cities that if slum clearance is to be carried out in the different cities of this country through the use of vast Federal funds—made available primarily for the purpose of providing employment for workers who are unemployed—there must be in each community, as well as at the central source at Washington, people with real knowledge of the problems that are involved in this great question and who will have the courage to say "No" to schemes that contain such objectionable features as have been pointed out in this discussion.

THE NEW LAW

There is considerable doubt in the minds of many as to just what action is possible under the new National Industrial Recovery Act. As we have already pointed out, the bill is primarily an attempt to start the wheels of industry by the revolutionary proposal of having the Federal Government practically take over the control of industry throughout the country—for a while at any rate. One of the principal sections of the new measure, viz: §202, deals with public works and

construction projects. One of the kinds of such “public works” and construction projects specifically mentioned is low-cost housing and slum clearance.

Because of the great interest that our readers have in this subject we are giving the full text of this section* which is as follows:

Sec. 202. The Administration, under the direction of the President, shall prepare a comprehensive programme of public works, which shall include among other things the following: (a) Construction, repair, and improvement of public highways and park ways, public buildings, and any publicly owned instrumentalities and facilities; (b) conservation and development of natural resources, including control, utilization, and purification of waters, prevention of soil erosion, development of water power, transmission of electrical energy, and construction of river and harbor improvements; (c) any projects of the character heretofore constructed or carried on either directly by public authority or with public aid to serve the interests of the general public; (d)† *construction under public regulation or control of low-cost housing and slum-clearance projects*; (e) *any project (other than those included in the foregoing classes) of a character heretofore eligible for loans under subsection (a) of section 201 of the Emergency Relief and Construction Act of 1932, as amended*; and if in the opinion of the President it seems desirable the construction of naval vessels within the terms and/or limits established by the London Naval Treaty of 1930 and of airplanes required therefor and construction of such Army housing projects as the President may approve, and provision of original equipment for the mechanization or motorization of such Army tactical units as he may designate: *Provided, however, That in the event of an international agreement for the further limitation of armament, to which the United States is signatory, the President is hereby authorized and empowered to suspend, in whole or in part, any such naval construction or mechanization and motorization of Army units.*

SUBSIDIES MAY BE POSSIBLE

In addition to this provision the Act contains a further provision for the construction and the financing of any public works project included in the programme just referred to. In addition, the President of the United States is given the power to make *grants* to states, municipalities or other public bodies for the construction, repair or improvement of any such projects with the limitation that no such grant shall be in excess of 30% of the cost of the labor and materials employed upon the project in question.

The President is also authorized and empowered “to acquire by purchase, or by exercise of the power of eminent domain, any real or personal property in connection with the construction of any such project, and to sell any security acquired or any property so constructed or acquired or to lease any such property with or without the privilege of purchase”—the money thus obtained being, under the law, used to retire bonds issued pursuant to other provisions of the Act.

These provisions are of such great moment that we give them also in full for the benefit of our readers. Section 203 reads as follows:

* Senate Bill 1712.

† Italics ours—Editor.

Sec. 203. (a) With a view to increasing quickly employment (while reasonably securing any loans made by the United States) the President is authorized and empowered, through the Administration or through such other agencies as he may designate or create, (1) to construct, finance, or aid in the construction or financing of any public-works project included in the programme prepared pursuant to section 202; (2) upon such terms as the President shall prescribe, to make grants to states, municipalities, or other public bodies for the construction, repair, or improvement of any such project, but no such grant shall be in excess of 30 per centum of the cost of the labor and materials employed upon such project; (3) to acquire by purchase, or by exercise of the power of eminent domain, any real or personal property in connection with the construction of any such project, and to sell any security acquired or any property so constructed or acquired or to lease any such property with or without the privilege of purchase: *Provided*, That all moneys received from any such sale or lease or the repayment of any loans shall be used to retire obligations issued pursuant to section 207 of this Act, in addition to any other moneys required to be used for such purpose; and (4) to aid in the financing of such railroad maintenance and equipment as may be approved by the Interstate Commerce Commission as desirable for the improvement of transportation facilities: *Provided*, That in deciding to extend any aid or grant hereunder to any State, county, or municipality the President may consider whether action is in process or in good faith assured therein reasonably designed to bring the ordinary current expenditures thereof within the presently estimated revenues thereof.

The remainder of this section is not germane to the subject under discussion here.

TO SUBSIDIZE OR NOT TO SUBSIDIZE

What the effect of this provision exactly is, insofar as low-cost housing and slum clearance projects are concerned, is shrouded in considerable mystery.

Robert Moses, Chairman of the New York State Emergency Public Works Commission and a publicist of wide experience, recently stated publicly that the new Act prohibits the granting of subsidies to private limited-dividend housing companies. On this point he had the following to say:

Owing to litigation attacking the right of New York City to grant tax exemption to limited-dividend housing projects outside of strictly slum areas, to many other difficulties in the way of slum-area projects such as acquisition of land, to absence of any substantial number of projects which are practically without tax exemption, and to the prohibition against granting subsidies to private limited-dividend companies under the terms of the National Industrial Recovery Act, the total sum included for housing will not be likely to exceed \$25,000,000, of which 80% must be loaned by the public works administration if anything is to be accomplished.

In response to an inquiry from *Housing*, Mr. Moses amplified what he had said in this public statement, adding:

You are correct in the assumption that subsidies can be granted only to public bodies. "Public bodies" as referred to in Sec. 203-a, sub-section 2, does not include private limited-dividend companies or in fact any private companies engaged in slum clearance or construction of low cost housing. I brought this matter up at a conference at Washington called by Governor Lehman in which Hugh Johnson and Senator Wagner were both present and they agree that the subsidy is not available for housing. Similarly, I have

had the matter checked by competent lawyers who are thoroughly familiar with both federal and state legislation and they have come to the same conclusion. Further evidence is afforded by the debates in Congress which indicate the unwillingness of both Houses to grant subsidies to private corporations.

SENATOR WAGNER'S VIEWS

Senator Wagner, sponsor of the measure, however, seems to take a similar view. In response to an inquiry from *Housing*, he made the following statement:

The new National Industrial Recovery Bill greatly liberalizes, in my judgment, the possibilities and opportunities for housing construction. It will permit, where no local regulation or control exists, the erection of a Federal supervision which would comply with the terms of the bill. I am looking forward to a great expansion in housing and slum clearance construction under the wider visioned policies of the present Administration.

And in a further communication sent in response to the questions raised by Mr. Moses' statement, he adds:

Section 202-d and section 203-a of the National Industrial Recovery Bill taken in conjunction provide for loans to private corporations for low-cost housing and slum clearance projects under public regulation and control. However, there is no provision for grants to such corporations.

According to Senator Wagner, vast funds will be available for *loans* for low-cost housing and slum clearance projects, but no funds will be available for outright *grants* or *subsidies*.

NEWMAN'S VIEWS

So competent and experienced an observer as Bernard J. Newman, the efficient Managing Director of the Philadelphia Housing Association, inclines to the view that direct grants for housing and slum clearance projects by the President will be available under the new law. On this point Mr. Newman has recently made the following statement:

Court decisions lead me to believe that under Section 203 the President can create and charter a federal housing agency, governed by rules and regulations also provided in the act, which will put housing and slum clearance under "public regulation and control" as required in Section 202.

But it will do one thing further—and an exceedingly important thing so far as slum clearance is concerned—it will permit a grant of funds to be made to such chartered corporations similar to that permitted to states and municipalities engaged on public works. In the original bill this sum was 30% of the cost of labor and materials. I do not know whether the percentage figure was changed.

But, whatever the percentage, such grant would have the effect—if the corporation took over a large slum area—of offsetting the excessive land values, even though the property is taken by eminent domain, to such an extent that it will not be necessary anywhere in the country, except possibly in New York and Chicago, to provide housing in slum districts of the tall multiple-family type and will also correspondingly reduce the rentals charged for accommodations thus provided.

Of course this is subsidy. Its justification now is that it will facilitate employment without creating a land load which in a city like Philadelphia would send surrounding values skyrocketing. In fact, I am inclined to think that it would be a step in forcing a decline in surrounding values; because large-scale development would establish the competition of good housing, as against surrounding poor housing, and make it unprofitable for owners of older buildings to hold on with the hope that they would recover present losses through land value increases.

It is evident that there is much to be cleared up under the new law. Undoubtedly, the Act was deliberately drawn with this end in view—of leaving the determination of matters of detail, no matter how important they might be, to be worked out by the Administration.

Undoubtedly, all kinds of legal questions could be raised with regard to the powers conferred by the new National Industrial Recovery Act. We doubt very much whether they ever will be raised. Who is to raise them? The attitude of business and industry is to go along with the Administration. As someone has very aptly said "When you are down in a hole, you do not raise questions as to the hands that hold out the ladder to you by which you may climb out of that hole." We think this is a very accurate statement of the position of business and industry in the United States today. They are ready to welcome practically anything that will set the wheels of industry going once more.

THE ADMINISTRATION AND LEGAL INTERPRETATION

So far as the Administration at Washington is concerned, we believe that the President fully senses the extraordinary confidence which the people have in him and his Administration and that the whole country is ready to back him in anything he may attempt to do for the benefit of the country.

If we may be allowed to say so, we think that the President intends to go ahead and do whatever it seems right and wise for him to do, without too much regard for legal and constitutional limitations or difficulties. Like his illustrious predecessor, Theodore Roosevelt, of blessed memory, he realizes that what the public wants is deeds not words; and it is quite evident that he intends to give the public what it wants.

If the powers granted under the new act should be questioned as to their legal validity and should finally get before the court of last resort, it is very doubtful what view the United States Supreme Court would take with regard to the questions raised.

The Court might readily be led to feel that it was appropriate to back up the President and the Administration in dealing with what

has been declared by Congress to be an "emergency"; and might, therefore, find justification for departures from accepted principles of government and Constitutional interpretation—as they did during the War when the rent laws controlling rents in the District of Columbia and in New York City were before them, holding valid what ordinarily they would consider an invasion of the right of private contract, on the ground that an emergency existed that had to be dealt with and that the ordinary rules were off.

That some features of the new Act will get before the courts for interpretation hardly seems doubtful. We very much question, however, whether any of the provisions dealing with the loan of Federal funds to states, municipalities or corporations for low-cost housing or slum clearance projects will be questioned.

These matters that are now left in the realm of doubt will unquestionably be straightened out by the "Administrator" when he begins to settle into his job and has to deal with the administration of the new Act.

It will remain for General Hugh Johnson, the Administrator, and his temporary Federal Public Works Administrator, Col. Donald H. Sawyer, whose appointment has recently been announced, to determine these difficult questions.

So far as slum clearance and low-cost housing are concerned there is a very real need at the present time of an intelligent clarification of Government policy with regard to the method of organization in dealing with these aspects of the new legislation.

Housing and slum clearance are highly technical subjects and the number of people in the United States who have any real knowledge or technical experience in this field is extremely limited. There is practically no one who has ever had any experience in the slum clearance field in this country, and there are only a very limited few who have made a real study of the subject based on the experience of those countries that have behind them years of successful effort in this field.

WASHINGTON NEEDS EXPERT ADVICE ON HOUSING

The country is alive today with so-called "housing experts"; but of this number—some of whom are rather vociferous in their advocacy of better housing—there is really not more than a handful of men who are competent to speak with authority.

We hope that the Administrator and his staff at Washington will see the wisdom of bringing this group into close cooperation with him, so that a wise and practical policy of dealing with these projects may be developed.

At the beginning he will have to decide certain fundamental questions. We hope he will avoid the dangers and difficulties that the Emergency War Housing Corporation got involved in, when the Federal Government last took up housing during the War.

CENTRAL CONTROL OR LOCAL CONTROL

One of the questions that must be quickly and promptly decided is whether Washington will keep control of the details of each housing project for which it intends to make loans, or whether it will decentralize responsibility and control and leave to State Boards or local authorities the responsibility for determining the desirability of each project proposed and the standards that must be observed.

From the one case that we have cited in which a slum clearance and low-cost housing project has been granted funds by the Federal Government through the R. F. C., viz: the "Knickerbocker Village" development in New York's Lower East Side, it is quite evident that there are vital questions to be determined that have been completely overlooked by the local authorities.

If one can judge from this example, it is *not* safe for the Federal Government to leave standards or control or direction to either State Boards or local authorities.

If they are wise, they will keep such control in their own hands, if they do not wish to have the whole work develop into an unsatisfactory mess that will not be an asset to the Administration but a liability.

CENTRAL CONTROL WITH REGIONAL OFFICES

These considerations have been very pertinently pointed out in a letter from Bernard J. Newman of Philadelphia sent recently to General Hugh Johnson. In this letter discussing the carrying out of the new Act Mr. Newman says in part:

News stories coming from Washington indicate that you are determining the policy to be followed re the public works programme to be authorized by Senate Bill 1712. We are interested in such policy as it may relate to housing and slum clearance projects. As the oldest and largest local housing organization engaged in promoting housing betterment we are naturally receiving inquiries as to the probable programme which may be undertaken under your administration to expedite employment through housing construction. We have, therefore, been trying to analyze the bill now before the Senate to determine its meaning.

Incidentally, it may be interpreted in several ways and will permit many varying policies—only one of which in our judgment will afford any considerable amount of employment opportunities or expedite the return of unemployed building-trades workers to work. If we are right, we should like to urge its consideration.

While wide latitude is given to you as the Administrator under the President to authorize loans for housing projects, yet few of the states have set up any public regulation or control which would enable them, under super-

vision of state housing boards, to undertake housing projects within the meaning of the bill. The vast majority of the states lack—and will lack for some time—any such state supervision. If the bill is interpreted so that this limitation is placed upon loans, comparatively little advantage will accrue to unemployed building-trades workers.

A FEDERAL HOUSING BOARD

However, under Section 203, it appears that you—acting under authorization of the President—may create any agency which you deem advisable in order to get such projects quickly under way. If you were, therefore, to create a Federal Housing Agency empowering it—as the bill will permit you to do—to operate in any of the states, irrespective of whether or not they have state housing boards, this particular type of public project could in a very short time afford work opportunities.

I have in mind a central organization with regional offices similar to that which I created during the Wilson administration for one of the branches of the Working Condition Service. This Service was working in the industrial field. We grouped areas where there were homogeneous problems and we created district offices from which all our activities in such districts operated.

REGIONAL OFFICES DESIRABLE

There are obvious advantages in such a type of organization in that there is concentrated in the administration full and absolute control, determination of standards, approval of sites, a check on administrative practices, economies of operation, and a protection against the horde of promoters who are looking to this form of public work as an opportunity to make excessive profits—without any assurance that the second objective of the public works programme in this particular, namely, the provision of low-cost housing and the elimination of certain of our worst slum spots, would be attained.

We believe that the plan which was adopted by the R. F. C. was inherently weak, in that it attempted to concentrate in the office at Washington—without definite field supervision—activities in connection with loans for slum clearance. Had they made more loans the weakness of this procedure would have been apparent.

We believe that regional distribution of control over housing projects under delegated authority is particularly important, in that there is a wide difference in housing types in different parts of the country—just as there is a difference in material, labor, land costs and other factors which enter into the final cost of the project, though there are contiguous areas within which there is a model type, making each such area the logical regional district. Centralized supervision with decisions made by staff members in Washington without the aid and advice of regional offices is bound to prove inefficient.

As we read the bill, there is ample authority for setting up a Federal Housing Agency, working under rules and regulations as authorized in the bill, which organization may amass expeditiously information which will enable such corporation to apportion funds for housing projects on the basis of the unemployment load among building-trades workers; the need for new housing accommodation as shown by numerous vacancy surveys; the areas within municipalities where land costs are within reason and the slum districts where such projects will prove of a dual value—namely, creating work opportunities and eliminating substandard, subnormal structures.

If such policy is adopted it will expedite construction in this field, promptly creating work-opportunities. If it is not, there is bound to be experimentation, delay, and—through the selfish aggressiveness of certain types of promoters—undoubted abusive uses of monies loaned for such purpose.

OTHER QUESTIONS TO BE SETTLED

In addition to these broad questions of administration policy, which must be very quickly determined if the full benefits of the Act are to

be had, there are questions of vital importance with regard to the details of the use of Federal funds for slum clearance or low-cost housing projects.

We have pointed out some of the difficulties inherent in this situation earlier in this article. Others have recently been pointed out by Joseph Platzker, the Secretary of the N. Y. East Side Chamber of Commerce and a thoughtful student of the problems involved.

In a recent public discussion of this question, Mr. Platzker, after pointing out that Washington holds the key to the new housing, says that it could help applicants for loans if it made known a clear-cut federal policy on the following eleven questions:

1. Should the building industry be encouraged to proceed with plans for \$100,000,000 or more of new construction on the Lower East Side?
2. Will any maximum of new apartments be considered for any one community?
3. Will the right to condemn minority holdings in given areas be encouraged to speed construction?
4. Will 8, 12 and 15-story operations, featured in the majority of present housing applications for the Lower East Side, be generally acceptable—provided the balance of the set-ups meet with approval?
5. Would a square block (200 by 400 feet) be considered the smallest area an applicant should plan?
6. Would an attractive 2-square block operation be considered, if the location was in the very heart of an unrestricted zone?
7. Would scattered operations with merit be considered, irrespective of location in the slum area?
8. Would some plans be considered that call for tax exemption and others waiving tax exemption—in the same community?
9. To what extent will equity cash be required, if at all, besides the “re-investment” of building fees and architect fees?
10. Will district re-planning play any part in “slum-clearance” programmes?
11. Will speedy enactment of state enabling legislation be encouraged for clearance of such large areas as the one between the Williamsburg and Manhattan Bridges?

What is to be the outcome of it all so far as the cause of housing is concerned remains to be seen. We hope that the stepping into this field by the Federal Government will not result in the same kind of a situation that developed from the War Housing projects 15 years ago.

THE DANGERS OF FEDERAL HOUSING

That those who advocate “public housing” will be very much heartened by the possibilities that to them seem inherent in this taking up of housing and slum clearance by the Federal Government there can be no doubt. Some of them are already beginning to herald this new law as a recognition by the Federal Government and by Congress that housing is a “public use” and that it is the function of the Federal

Government to enter directly into housing reform in the different localities throughout the United States. Of course there is no warrant for such an inference, but the advocates of public housing will undoubtedly continue to ride their hobby at all possible speed.

That slum clearance under normal conditions should be undertaken by the Federal Government dealing with what is entirely a local problem is obviously unsound.

Slum clearance is a difficult question but it is one that can be solved by the local authorities in all our communities where slum clearance is necessary if they will proceed according to plan—not jump into it seeking to satisfy an impetuous over-stimulated alleged public demand for action. No successful slum clearance can result from such methods. Similarly, no intelligent development of low-cost housing schemes can come under these circumstances.

A LOCAL PROBLEM—NOT STATE OR FEDERAL

We do not believe that the people of the United States will for a moment endorse the view that it is a function of the Federal Government to undertake such projects. We do not believe for a moment that the sober judgment of the people of the country will support the view that it is desirable or appropriate to tax the farmers of Iowa and Nebraska to pay the cost, or a portion of it, of clearing slums in New York City or in Cleveland. These are not proper uses of Federal funds.

Slums, where they exist, exist always in some definite locality; and they exist always because of the neglect of that locality and its failure to take the steps necessary to prevent slum development. The burden of getting rid of the slum is one that rests primarily and properly upon the local authorities of that community.

It is not one either for which state funds should be available. Why should the people of Syracuse or Utica, of Ithaca or Troy, pay any part of the cost of clearing a slum in New York City? It is not their burden nor their responsibility.

We hope that the Federal Government will not be stampeded by the clamant desires of real estate interests and business men in different communities who wish to do away with blighted areas—who wish to substitute for vast stretches of developed real estate whose values have become depressed, real estate with new values.

The powers entrusted to the Administration under the new Act are vast and of vital importance. They are granted by Congress and supported by the people of the whole country for one purpose only—to set the wheels of industry going once more.

In so far as these powers affect housing and slum clearance, the Administration if it is wise will "stop, look and listen."

A POLICY FOR THE GOVERNMENT

In order that the Government's efforts in slum clearance and the development of low-cost housing projects may be on a sound basis and a benefit to the cause of housing and not a detriment to that cause, the National Housing Association has called a Conference of the leading housing experts of the country to meet in an all-day round-table-discussion in New York on June 26th.

The call for this meeting points out that the signing of the National Industrial Recovery Act by President Roosevelt and its provisions for the use of Federal funds for "low-cost housing and slum clearance projects" raise numerous questions. And that, in the opinion of the National Housing Association, it has seemed that a useful service could be performed by that organization and by the housing experts of the country in aiding the Administration at Washington in reaching decisions on important matters of policy and practice connected therewith—adding that, if these questions are not settled right, great injury to the cause of Housing may result; that if they are settled right, great benefit.

Some of the questions that seemed to require decision and which served as the *agenda* for this meeting were:

1. ADMINISTRATIVE POLICY—Shall control be Centralized, or be Local, or Centralized with Regional Direction?

2. What STANDARDS of Housing Shall be Adopted and How, and How Enforced?

3. Will the Building of 12-story tenements on sites where 6-story buildings Prevail be Encouraged or Permitted?

4. Will Funds be Available for White-Collar Class Developments in Distinctly Slum Districts?

5. Will Existing Density of Population where now high be Permitted to be Doubled and Trebled?

6. Can the Building Industry look forward to support for Projects Involving \$50,000,000 or more in a given Community?

7. Will there be a Maximum of Funds and New Apartments that may be Considered for a Single Community?

8. Will there be a Minimum as to the Size of the Operation that will be Considered Available for Federal Funds?

9. Will Tax Exemption for the White-Collar Class be Permitted?
10. What Proportion of the Total Cost will be Required to be Provided in the Form of Equity by the Investors?
11. What Provision will be made for the Replanning of the Areas in which funds for Slum Clearance may be Authorized?

The following persons were invited to attend:

Bernard J. Newman, Philadelphia Housing Association; Robert D. Kohn, President Construction League of America; Bleecker Marquette, Cincinnati Better Housing League; John Ihlder, Boston Housing Association, Pittsburgh Housing Association; Mrs. Albion Fellows Bacon, of Evansville, Indiana; Walter Kruesi, Brooklyn Garden Apartments; Clyde P. Johnson, Chairman, Ohio State Board of Housing; Ernest J. Bohn, Chairman, Committee on Housing, Cleveland; Darwin R. James, Chairman, New York State Board of Housing; Charles S. Ascher, Public Administration Clearing House, Chicago; Louis Brownlow, Director, Public Administration Clearing House, Chicago; Alfred K. Stern, Chairman, Illinois Housing Commission; Harold Buttenheim, Editor, American City Magazine; A. Mackay Smith, Counsel, Reconstruction Finance Corporation; James Ford, Director, Better Homes in America; Joseph H. Fink, Secretary, Housing Committee of the Brooklyn Bureau of Charities; Lawson Purdy, Chairman, Tenement House Committee, New York Charity Organization Society; Mrs. Edith Elmer Wood; Joseph Platzker, Secretary, New York East Side Chamber of Commerce; James S. Taylor, Chief, Division of Building and Housing, Washington; William Stanley Parker, Chairman, Boston, Advisory Committee on Housing; Benjamin Ritter, Secretary, Pennsylvania Housing and Town Planning Association; Abram Garfield, of Cleveland; Flavel Shurtleff, Secretary, National Conference on City Planning; Frederick Bigger, President, American City Planning Institute, Pittsburgh; Senator Robert F. Wagner; U. S. Grant, 3rd; Charles W. Eliot, 2nd; John Nolen, Jr., National Capital Park & Planning Commission, Washington; Maco Stuart, of Texas; Spaulding Frazer, New Jersey Housing League; Herbert U. Nelson, Secretary, National Association of Real Estate Boards; John W. Woelfle, Secretary, New Jersey Housing League; Paul H. Watson, Secretary, California Housing Association, San Francisco; Siegfried Goetze, Secretary, Better House League of Los Angeles; Walter H. Blucher, Secretary, Detroit City Plan Commission; Alfred Bettman, President, National City Planning Conference, Cincinnati; Col. Cary Brown, National Industrial Recovery Administration, Washington, D. C.; Hon. Henry T. Hunt, National Industrial Recovery Administration, Washington, D. C.; Col. Donald H. Sawyer, Public Works Administrator, Washington, D. C.

At the time of going to press the Conference had not met, and it is, therefore, not possible to state the conclusions that it reached.

THE NATION'S CAPITAL

While the eyes of the Nation have been focussed upon Washington since March 4th, and rightly so, the attention of the country has naturally been given to those projects which affect the country as a whole. So far as the people of the United States are concerned there has been little realization that there were measures pending and discussed at Washington during this time which vitally affect the Nation's Capital itself.

For many years—ever since the administration of Theodore Roosevelt when Jacob Riis shocked and startled the country by the revela-

tions of the conditions in Washington's Alley Slums—there have been numerous efforts at intermittent intervals to do something about it. Most of those attempts have been recounted at one time or another in these columns, or in the columns of our predecessor, *Housing Betterment*.

Three years ago a concerted effort was made to deal with this objectionable blot on Washington's scutcheon.

A carefully considered measure was prepared by the Capital Park and Planning Commission, of which Col. U. S. Grant, 3rd, is Executive Officer, which had employed John Ihlder to make a Report on the situation. Mr. Ihlder's Report was made public at the time and a bill embodying the recommendations contained in the Report was introduced in Congress at that time.*

While this measure had some defective features,** it was on the whole a well thought-out attempt to deal with a difficult problem. It would have been very much to the benefit of Washington had Congress seen fit to enact it into law at that time.

This measure with some changes was introduced at the regular session of Congress in December, but did not find favor at the hands of the members of Congress. It will be recalled that that last of the "Lame Duck" Sessions was almost barren of results.

When Congress was called in Special Session last March by President Roosevelt, those in Washington interested in dealing with this important problem rightly realized that this was *the* opportunity to get enacted into law what they had so long worked for, and the bill formulated three years ago and introduced again at the December Session was reintroduced at the Special Session of Congress. During the consideration of this measure by the appropriate Committees and as a result of the changed situation, a number of important changes were made in it. Instead of continuing the war-time U. S. Housing Corporation as the agency to carry out the alley and slum reconstruction, the bill was changed to authorize the President to designate or appoint a Housing Authority—which might be either an existing agency or individual or some new agency created to have charge of this work.

The new measure also specifically authorized the borrowing from the Reconstruction Finance Corporation, or other Government agency that might be set up to loan money for slum clearance, of the funds necessary for the work—the loans in question to be secured by the real property involved in the scheme. In addition, the \$500,000 balance left over from the work of the U. S. Housing Corporation was trans-

* S. 4148-H. R. 11047, 1930.

** See *Housing*, June, 1930, pp. 146-148.

ferred to the new authority and made available for the alley clearance work.

While this measure passed the Senate without debate on June 7th, it unfortunately got lost in the shuffle in the House in those last hectic days when Congress was crowding on all sail to get through.

Had it not been for the illness of the bill's chief sponsor in the House, there is every likelihood that it would have been enacted into law at the Session which has just closed. There is every expectation that when Congress convenes next January, the measure will be speedily passed, as it enjoys the advantage of position—being one of the first pieces of business that will come before the new House when Congress reconvenes.

A NEW USE FOR THE ALLEYS

In connection with the discussion of this bill, Col. U. S. Grant, 3rd, Director of Public Buildings and Public Parks, called attention to the economic loss to the community through the continuance of the present situation, emphasizing the fact that the District Government was losing much taxable revenue in the city's alley dwellings inhabited today by about 12,000 persons.

He pointed out that while the social side of the question had been chiefly stressed in past discussions of this subject, the economic phase was one that required attention—that the elimination of the alley dwellings not only would stimulate employment but would rehabilitate blighted areas and improve the assessed values of the District.

An interesting suggestion as to what to do with some of the alleys was made by Col. Grant when he proposed that the city's "parking" problem might in a large measure be solved by converting present alley dwellings into parking garages or "garage hotels", as they have been called elsewhere, razing the present unsightly structures and erecting modern garages thereon. There are many alley dwellings quite near the Capitol which ought to be wiped out. As Col. Grant pointed out, the erection of garage accommodations for 5 hotels in that neighborhood could be placed upon these sites.

THE ECONOMIC WASTE

On the economic side, Col. Grant demonstrated that the present conditions are not an asset but an economic liability to the District, and said on this point:

The taxpayers of Washington, as well as the financial supporters of social welfare work, have failed utterly to comprehend the high cost

of inhabited alleys. An impartial consideration of the facts reveals that the tax return on inhabited alley property is but a fraction of the total community expense incident to their use as habitations for 12,000, or so, people living at the lowest economic and social level.

The progressive but speedy elimination of alley dwellings at moderate capital expense along constructive lines can be justified from an economic point of view. Recent investigations and analysis of the situation by welfare workers and by the National Capital Park and Planning Commission support this contention. The average alley dwelling of 4 rooms is assessed at a value from \$500 to \$1,000—depending on the land value in the section of the city where located.

With land varying from 20 to 60 cents a foot and improvements from \$300 to \$600, it is probable that a total assessed value of \$600 represents a fair average for an alley habitation. Upon this value the city gets a return of but \$10 in taxes, annually. Furthermore, the assessed values are largely static—registering little, if any, increase over a period of years, notwithstanding increments in value of nearby street properties. Moreover, there is no contribution to the utility taxes, there being no gas or electricity in the average alley house.

What this low tax income means in the community balance-sheet may be best illustrated by taking a specific inhabited alley for example. This alley has been recently surveyed. It is centrally located with highly developed street property in the same square. The alley dwelling property in this square brings a tax return of \$360, in contrast to nearly a hundredfold greater return from the surrounding street property. Twenty-eight (28) of the 33 alley houses are occupied, and 127 people including 37 children reside on one-third of an acre.

Set against this scant financial return to the city treasury, the cost to the community is measured in direct and indirect expenses. First are the nearly 20,000 annual inspections of alley habitations by the District health officer, average about 10 per dwelling, or a quota of 330 inspections for the alley in question. One-eighth of all inspections warranted the serving of notices for correction of insanitary conditions.

Add to this expense the incessant visits of welfare workers and other District agencies, for refuse and trash removal, collection of garbage and sweeping of the alley. The costs are higher than for similar services on streets, because of the narrowness and inaccessibility of many of these hidden communities. They further add to the cost of police supervision for suppression of all manner of disturbances, crime and vice—so prevalent in the alleys. These conditions demand police inspection with often two or more officers required.

LOW COST HOUSING FOR WASHINGTON

One of the measures introduced at the recent Extraordinary Session of Congress having to do with housing matters was the bill introduced by Senator Copeland of New York* providing for the creation of a Housing Board in the District of Columbia to regulate and control limited-dividend housing corporations along the lines of the New

* S. 561, S. 5374.

York State Housing Law. The primary purpose of this measure was to make it possible for the local authorities in the District to avail themselves of Federal funds through loans from the R. F. C. or other public agency so that they might not only replace with new modern dwellings Washington's alley slums when destroyed, but could also undertake the encouragement of such construction by limited-dividend corporations wherever the need seemed to exist.

A similar measure had been introduced by Senator Copeland at the "Lame Duck" Session in December but like all important measures at that session it got nowhere.

Both of these measures carry out to a large extent recommendations of the Allied Architects' Committee, of which Louis Justement was Chairman, and had the support of the National Capital Park & Planning Commission—that is, for the fundamental purpose of the bill without commitment to its details.

No progress was made on this measure at the session just ended, it not even having progressed to the stage of receiving a Committee hearing. It is expected, however, that it will be one of the first bills to be considered by Congress when it reconvenes next January.

In the meantime it may be possible under the new National Industrial Recovery Act to go ahead with housing projects in the District, even without this specific legislative enactment.

THE MOTH AND THE FLAME

RENT CONTROL IN WASHINGTON

Congress in the midst of its various other activities has found time to consider once more the question of regulation of rents by Government in the District of Columbia.

Early in 1932 members of the Committee on the District of Columbia which has responsibility for the Government of that "No-man's Land" began to receive letters in large numbers from residents of the District protesting against the high rents being charged and urging that some measures be taken that would afford relief to the tenants.

The Chairman of the Committee after causing a private preliminary inquiry to be made reported to his Committee that rents in Washington had not declined to the same extent as had rents in other cities, nor had they declined in any way comparable with the prices of other commodities. A Report presented to the Committee at the time by the U. S. Bureau of Labor Statistics showed that rents in Washington were on the average higher in the year 1932 than they were in 1920,

when the war-time housing shortage had not been fully met by new residential construction.

As a result of this information presented to the Committee, the Committee adopted a resolution requesting the Chairman to bring to the attention of the Attorney General the charge that a rent profiteering combine was in existence in the District.

After further discussion of the subject and further inquiries, the Committee authorized its Chairman to introduce a resolution in Congress that would direct the Committee to investigate local conditions affecting rents. The resolution* was introduced on the same afternoon it was authorized and was agreed to by the Senate within a week.

The Committee appointed under this resolution consisted of Senator Capper as Chairman, and Senators Blaine, Kean, King and Cope-land. Since the appointment of the Committee in June of last year until the time the Committee rendered its Report on March 1st, 1933, the Committee has made diligent inquiry into the subject upon which it had been asked to report and has held numerous hearings and taken voluminous testimony, in the fashion of Congressional Committees.

THE COMMITTEE'S FINDINGS

Under date of March 1st last the Committee rendered its Report.** The Committee's conclusions were summarized in that Report as follows:

From the foregoing facts, together with other information brought out by this investigation and by the contact of members with governmental problems of the District of Columbia, the Subcommittee offers the following conclusions and recommendations:

1. A state of emergency in housing exists in the District of Columbia. Almost 10% of the families in the District are destitute and entirely dependent on public or private relief. Thousands more are existing on pitifully small incomes, which may be utterly wiped out by illness or unemployment of bread-winners. There is in the District a dire lack of low-cost sanitary housing. This condition is accentuated by the inability of municipal relief authorities to find adequate housing for families made homeless by eviction. Unable to match their reduced incomes against present rent levels, residents of the District are resorting to the practice of doubling up in living accommodations, thereby endangering health and morals. Rents in the District of Columbia have not been reduced sufficiently to meet the needs of the people.

* S. Res. 248—72nd Congress, 1st Session.

** Report S. 1354—72nd Congress, 2nd Session.

RENTS DO NOT DECLINE

2. Rent levels in the District of Columbia do not reflect the decline in the cost of practically all other commodities, nor do they show the same decline as do rents in other cities. Rents of apartments in the District underwent an average reduction of less than 7% during the past year, while the rate of vacancies in apartments increased 10%. Rent reductions in houses were so insignificant that it may be stated that such rents show practically no change from those of a year ago.

3. Although assurances were given the subcommittee by real-estate brokers that the era of high financing in Washington real estate is a thing of the past, the Subcommittee is convinced that many of the evils of the present rental situation find their roots in a vicious system of financing and related functions, largely noncompetitive, which has encouraged and fostered speculation, and has placed a crushing burden of interest, "commissions," insurance, and title costs on every real estate transaction. Under this system the small home buyer suffers alike with the owners of equities in rental property. The lack of proper and sufficient legal safeguards has nurtured this system, the fruits of which are summary foreclosures, vast losses to investors in real-estate securities, and in part, at least, high rents.

WICKED REAL ESTATE MEN

4. The Subcommittee has studied evidence produced by its counsel, tending to prove that real-estate owners and agents have combined for the purpose of eliminating competition in rentals and other real-estate transactions. Representatives of the Real Estate Board have admitted that they fix minimum rates of commission for real estate transactions; that they have acted to destroy competition among the board membership in renewals of real estate loans under \$25,000; that they have threatened expulsion of any member advertising that he will make loans or renew loans for no commission or for a commission less than the standard rate set by the board.

In the face of statements of real-estate dealers under oath that competition in securing tenants was free and unrestrained, and that no interoffice or organizational agreement or understanding existed to the contrary, the Subcommittee finds that there are data and evidence indicating that an unwritten agreement or understanding does exist among members of the Washington Real Estate Board, whereby no one agent will rent premises under his control to a tenant who, for whatever reason, is bound to his lease with another agent unless a release is given the tenant by the latter agent. This agreement does not pretend to operate against tenants delinquent in their rent, but simply against tenants holding leases. Uncontroverted testimony of tenant witnesses before the Subcommittee was to the effect that agents refused to release them from their rental contracts even when, as a result of unemployment or salary reductions, the tenants were financially unable to pay the amount of rent stipulated in the leases.

5. In the opinion of the Subcommittee the public policies of the Washington Real Estate Board have been deficient in many respects, and unresponsive to the legitimate needs of the people. Representatives of the Board have offered no constructive suggestions for improve-

ment of the rental situation. Their demand for a fair return on the assessed value of their property displays a woeful disregard of present-day economic conditions in the District of Columbia and in the country as a whole. They have defended as a just and proper action their governing body's request to counsel for the board that he confer with judges of the municipal court who had been granting stays of executions on eviction writs. They have opposed the suggestion that interest rates should be reduced on real estate loans. They have openly and constantly derided the efforts of counsel for the Subcommittee to prove an attempt to restrain competition in rentals and real estate transactions.

6. Some of the outstanding defects in the housing situation can be reached by legislation which has been passed by the Senate, but has not been enacted into law.

The Committee recommended that certain legislation pending at the time before the Committee on the District of Columbia should be considered at the earliest possible date. These measures were:

Senator Copeland's bill calling for the creation of a Housing Board and authorizing the incorporation of limited-dividend housing corporations in the District (S5374); and a bill that amended the Usury Statute in the District (S5019).

Recognizing what the Committee dubs "the present emergency in housing" and in view of the evidence and testimony contained in the records of the Committee's investigations, the Committee recommended to the Senate action along the following lines:

LEGISLATIVE PROPOSALS

1. Consideration at an early date of such legislation as will (a) limit evictions of tenants when conditions are such as to merit the intervention of the Government in their behalf; (b) provide a moratorium for not exceeding 2 years upon the foreclosure of mortgages and deeds of trust on homes; (c) confer upon the District Commissioners authority to take such action as may be required for the protection of tenants in cases of extreme emergency.

2. Passage of a resolution calling upon the Attorney General of the United States to make a complete investigation of charges that competition in real estate transactions has been stifled in the District of Columbia.

3. Passage of a resolution calling on the District Commissioners for enforcement of existing laws and regulations affecting public health, comfort and safety in connection with rented property; and directing the Commissioners further to obtain through the District Assessor, and submit to the Senate, annual reports affecting rentals and values of apartment houses.

4. Enactment of a bill to require the furnishing of heat in rented living quarters in the District of Columbia.

5. Passage of a resolution calling on the District Commissioners for a study of fire and title insurance rates and practices in the District of Columbia with particular reference to the fixing of such rates and elimination of competition.

The Committee rightly recognizes in making these recommendations that some of these proposals are of an unusual nature and, as they put it, are "justified only by the existence of extraordinary conditions in housing in the District of Columbia".

AN "EMERGENCY" ON PAPER

After reading the Report in which they stress these "extraordinary conditions", we frankly find nothing to justify such a conclusion. The conditions described are general throughout the United States and many of them are to be found at all times. Most of the conditions they describe are due largely to the Depression, which is general not only throughout the United States but throughout the World; and which, singularly enough, the people of the District of Columbia suffer from perhaps less than the people of any other community in the entire country.

The major part of the population of Washington consists of employees of the Government and their families. Their salaries, until very recently, have suffered no reduction and the staffs have been until recently kept intact. Washington, perhaps, has been more free from unemployment and from the consequences of the Depression than almost any other part of the country. The situation described by the Sub-Committee is one that is general, and not one that is either "extraordinary" or "emergent".

The Committee further adds in its final words that it has given serious consideration to the proposal that regulation of rents by a Commission should be reinstituted in the District and that further study will be given to this proposal and that recommendations will be made for requisite legislation when, and if, it is deemed necessary to accelerate fair reductions in rent.

Apparently, the proposals contained in this Report were too controversial to warrant their consideration at the Extraordinary Session of Congress when only matters of the most emergent nature were given "right of way".

While the House failed to appropriate the \$2,500 deemed necessary to permit the Committee to carry out further investigations, it is expected that the Public Utilities Commission of the District will continue the inquiry under a resolution adopted by the Senate on June 7th last.

A FURTHER INQUIRY

Offering such a resolution on May 24th, Senator Capper, Chairman of the Senate District Committee, suggested that a new investigation of rental and housing problems in Washington should be conducted by the Public Utilities Commission during the approaching recess so that when Congress returned next winter it would have the fullest and most up-to-date information before it.

In discussing this resolution, Senator Capper said "The Committee's investigation disclosed a pressing need for remedial legislation in connection with various phases of housing in the District," adding:

As it is fruitless to hope that we can achieve the objectives outlined in the Rent Investigation Report before the close of the present session, I am convinced that the Committee with the assistance of the public of Washington should make a determined effort to perfect a permanent and comprehensive housing plan for Washington before the next session.

To accomplish this purpose, Senator Capper added that it was essential that the Committee should be informed concerning changes in the local housing situation, particularly so far as concerns rents; that they should have before them the benefit of an up-to-date rent survey of the facts so that the housing programme when presented to the Senate at the next session will be based on current conditions and not those a year or more old. He particularly stressed the importance of Congress having before it the effects on rent of recent reductions in Government salaries and added that: "Statistics on evictions, taxation, maintenance costs, emergency relief housing and similar matters should be assembled" for the information of Congress.

The Resolution adopted by the Senate directed the Public Utilities Commission of the District "to investigate all facts relating to the cost and character of housing in rented premises in the District of Columbia and to receive and adjust complaints in relation thereto," and clothed them with the necessary power to call witnesses and subpoena records. There was a further requirement that the Commission should report to the Senate on or before January 30th, next.

We suppose that as long as members of Congress are themselves individually affected by rent changes in the District there will be effort on the part of Congress to intervene in this difficult question.

THE LESSON OF ENGLAND

We had supposed that Congress had learned its lesson and had realized that the rent control legislation in effect during the War could

only be justified by the existence of a real emergency and that this kind of interference with the normal operation of economic forces was highly undesirable.

We commend to the attention of the Committee of Congress that has been considering this question and that is likely to consider it in future the experience of England in its effort to get rid of rent control legislation enacted during the War and still in force in that country.*

MORTGAGES, MORTGAGES, ALL THE WAY!

Again the home owners of the country are to be relieved. Congress has just passed a new law signed by President Roosevelt on June 13th, known as The Home Owners Loan Act of 1933, which authorizes the setting up of the Home Owners Loan Corporation by the existing Federal Home Loan Bank Board.

We hope that the new law and the new mechanism will have better luck than its predecessor established by President Hoover. It certainly should. That effort most certainly did not have a square deal but was strangled almost at birth.

To the intelligent and experienced observer the situation that developed in connection with the much publicized Conference on Home Building and Home Ownership called by President Hoover was not without its humorous aspects. That Conference starting with a single objective ultimately became very ambitious and covered every conceivable aspect of the housing question. The large sum of nearly a quarter of a million dollars, generously provided from some undisclosed benevolent source was spent upon it. As it progressed it became quite evident to the intelligent observer that all that President Hoover was interested in, was in encouraging home ownership, and that with the enactment of the bill establishing the Home Loan Board his interest in the subject was satisfied.

As our readers know, a bill establishing the Federal Home Loan Bank was signed by President Hoover on July 22nd last and on August 9th a Board of 5 members to administer the new law was appointed by President Hoover.**

This Board had hardly gotten settled into its work when notice was served upon it by Congress that the members appointed by President Hoover would not be confirmed by that body and so practically everything in this direction was brought to a standstill until the new

* See "*Housing*," May, 1933, pages 50-62.

** See *Housing*, October, 1932, page 195.

Administration took over last March. During this time one member of the body appointed by the new Administration and confirmed by Congress has served as Chairman—that was William F. Stevenson.

From the new law President Roosevelt evidently expects all the results in aid to the small home owner that had been anticipated by President Hoover and that had led him to urge similar proposals so strongly upon the country.

The new measure has been aptly described as a national system of relief for the urban homeowner burdened by mortgage debt, through a \$2,000,000,000 Home Loan Corporation. According to statistics presented to the Senate during consideration of this measure, the total volume of mortgages on homes in the United States has been conservatively estimated at \$21,000,000. Of these, it is believed somewhat more than half will come within the terms of the legislation but it is not expected that refinancing will be sought for anything like this total. The object of the new law is not to shoulder the entire burden of the nation's mortgage debt by asking the Government to "hold the bag," but to care only for emergency cases and for those in which the prospect of ultimate payment of the mortgage debt is reasonably good. Second mortgages and mortgages in which the amount of the debt is excessive in comparison with the value of the property will not be handled under the terms of the new law.

While there have been many public statements made with regard to the new measure, our readers perhaps will get the best idea of just what its provisions are and what is involved in it from a statement made by William F. Stevenson, Chairman of the Federal Home Loan Bank Board, to Congress under date of June 12th last. Mr. Stevenson's statement follows:

What is the Home Owners' Loan Corporation? It is a corporation created by Congress to be administered by the Federal Home Loan Bank Board as directors, for the purpose of saving the homes of home owners where they are unable to secure money to pay mortgages otherwise and where the mortgagee is threatening foreclosure.

What capital has the corporation? It has \$200,000,000 of capital stock subscribed for and to be paid by the United States Treasury and it has the authority to issue \$2,000,000,000 of bonds, running 18 years with 4 percent interest, the interest being guaranteed by the United States Government.

What homes can be dealt with under this corporation? Homes not exceeding \$20,000 in value.

What mortgages can be taken up on homes? Only those which are of record on June 13, 1933, the date of the approval of the act.

How will the citizen get the loan to which he is entitled? There will be a general manager for the corporation established in each State, with sufficient employees to handle the business, whose location

will be well known and applications to such manager should be made by mail or personal call for blanks to fill out, making applications for loans to take up mortgages in existence. If, from the application, it appears that the loan is one that the corporation can make under the law, it will be referred to an appraiser or agent in the county where the applicant lives who will immediately appraise the property and have the local attorney there determine as to the soundness of the title and on their report, if favorable, the loan will be closed, papers executed, and the bonds or cash, as the case may be, paid to take over the mortgage which is in existence.

How about the loaning of bonds and of cash? The provision is, and the expectation is, that the mortgagor can arrange with his mortgagee to take the 18-year bonds which have back of them the \$200,000,000 stock and all of the mortgages which are taken on the loans made by the Corporation in exchange for his mortgage and he will transfer his mortgage to the Corporation upon being paid the amount of bonds he agrees to take for his mortgage.

The Corporation will loan in bonds 80 percent of the value of the property in taking up such a mortgage. It will also furnish the money to pay taxes that may be in arrears on the property which will be made a part of the 80 percent loaned. When the exchange is made, and the mortgage is assigned to the Corporation, the Corporation will then take a new mortgage from the home owner, running for 15 years, with payments either monthly, quarterly, semiannually or annually—according to the agreement then entered into with interest at 5% and the home owner will then have a long-term loan with small payments.

If the mortgagee refuses to take bonds and the mortgage and taxes and other encumbrances due are not in excess of 40 percent of the value of the property, the Corporation will loan the mortgagor up to 40 percent of the value of his property or so much as is necessary below 40 percent to take up the mortgage with cash and also any taxes due and take a mortgage from the home owner at 15 years, payable as in the other cases, with interest at 6 percent.

This is the method of making loans except that where a home owner has no encumbrances on his home but is in default in taxes and in danger of losing his property from tax sale, the Corporation will loan him the money on the home to pay the taxes and amortize that for 15 years just as in other cases.

It is desired to emphasize the fact that this Corporation will only deal with the redemption of homes valued at not over \$20,000 and it will not loan over \$14,000 on any one home, either in bonds or in cash.

The borrower may have an extension of 3 years on the principal if he keeps the interest paid, and the Board may extend the payment of both principal and interest in cases of inability to pay, owing to stress of circumstances, but the total extensions during the 15-year period must not exceed 3 years.

To give a specific example: Mr. A owns a home and lives in it; it is unfortunately encumbered; the house is worth \$10,000; the mortgage is for \$7,500; his neighbor who holds the mortgage, Mr. B, needs cash or its equivalent and yet he does not like to sell out his neighbor. Mr. A applies to the manager in his state who furnishes him with a blank and assists him in filling out the blank, giving the entire facts about the case. The mortgage necessarily was on record June 13,

1933. Mr. A gets an agreement with Mr. B that he will take \$7,500 of the bonds of the Corporation, guaranteed as to interest by the United States, and assign his mortgage without recourse to the Corporation.

The Corporation finds that Mr. A owes \$475 in taxes. Mr. A is unable to pay the taxes; the Corporation then furnishes Mr. A with \$7,500 of bonds, and pays the \$475 taxes and pays the expense of registration and investigation of the title with the other \$25, making \$8,000 which is 80 percent of the value. Then he takes a new mortgage from Mr. A, cancelling the old mortgage or extending it, and in this way they give Mr. A 15 years to pay the \$8,000 made up as above stated.

If Mr. A is a laboring man, getting wages, they will want him to pay monthly. If it suits him better, they may allow him to pay quarterly or, under certain conditions, may require him to pay semi-annually or annually and give him 15 years in which to redeem his property; but suppose Mr. B will not take the bonds. Then if the debt is over 40 percent of the value of the property, nothing can be done; but suppose the debt instead of being \$7,500 was \$3,500, the Corporation will loan the cash on that amount and take up the taxes and everything so it does not run over \$4,000 and complete the transaction with the cash settlement, but the owner gives a new mortgage at 15 years just as in other cases with a rate of interest at 6 percent instead of 5 percent which is the rate where bonds are loaned. That is the illustration of the manner in which it is to be handled.

Finally, the second part of the act provides for the establishment and organization of building and loan associations under national charter and supervision. The building and loan associations are now the principal source of money to be had by people who desire to acquire or build a home, and there are 1,500 counties in the United States in which there is no such association. The idea is to promote the organization of such associations by this Corporation's taking 50 percent of the stock right along with the citizens of any local community who desire to establish such an association. The association, when established, would be a source from which the local people could borrow money to build, buy, or improve their homes, and the associations therefore would be a cooperative effort to save and conserve capital in the local communities. The Corporation says to a community "if you want to organize a building and loan association of this type, we will put in a dollar of capital for every dollar that you can figure. If you take \$10,000 capital we will take \$10,000, pay it in as fast as you pay yours in; and that association will become a member of one of the Federal home-loan banks, and as it loans to its members in a local community it can take that paper to the Federal home-loan bank to which it belongs and use it for procuring money from the home-loan bank to reloan to the people in its community. It is to encourage thrift, in the first place, and to build up a great cooperative financial structure, dealing strictly with homes.

GENERAL STATEMENT AS TO LAW

Home Owners' Loan Corporation is for the relief of home owners in distress with their mortgages, and the Corporation proposes to make every reasonable effort to carry out the purposes of the bill. It will be located in the Commerce Building, Washington, D. C., and will

have agents in every state in the Union, and notices will appear in the public press and the names of the agents in the different states and the addresses of the offices of the Corporation. Citizens desiring relief should make their application direct to the nearest agent, who will be provided with forms and applications and have full information in reference to the ability of the Corporation to serve. It is hoped that these agents can be selected and these offices opened and public announcement be made thereof within a week or 10 days.

The Home Owners' Loan Act of 1933 provides for a corporation to deal with homes occupied by the owners, or held by them as their homesteads, although temporarily not occupied by the owner, of a value not exceeding \$20,000. No clear line is drawn between farm homes and city homes, but typical farm loans should be handled by the Federal Land Banks. Homes will be eligible, although incidentally the premises may be employed for some other use, such as gardening or a small business, but no home built for more than four families is eligible.

The bill is primarily for the refunding of mortgages and not for the liquidation of mortgages in cash. It provides for taking up mortgages on homes by the exchange of the bonds of the Corporation, interest on which is guaranteed by the United States for a period of 18 years at 4 percent, for the mortgage, and payment in cash of any accrued taxes, assessments, necessary repairs or maintenance and incidental costs of the transaction; provided the total amount does not exceed \$14,000, or 80 percent of the value of the property, whichever is smaller, all of which will be refunded in a single mortgage and paid off, principal and interest, over a period of 15 years. The interest rate is 5 percent and the owner may be relieved of payments of principal over a period of 3 years. It is possible to so refund, not only a first mortgage but a second or any other lien up to the total of 80 percent of value.

It must be noted that in order to accomplish this refunding it will be necessary for the lender to accept the bonds of the Corporation in lieu of the mortgage now held.

In addition to refunding of mortgages up to 80 percent of value, the bill provides for making loans in cash to home owners on homes not otherwise incumbered, for the payment of taxes, assessments, necessary repairs and maintenance, but not exceeding 50 percent of value.

Also the bill provides for making loans to take up mortgages in cash where the owner of the mortgage will not accept bonds, and where the home owner can not obtain funds elsewhere from ordinary lending agencies; provided such loans shall not exceed 40 percent of the value of the property, and such loans shall be carried at the rate of 6 percent per annum and paid off, principal and interest, over a period of 15 years. Attention is called to the fact that no large volume of mortgages can be liquidated in cash under this section, first, because most homes are mortgaged for more than 40 percent of the value, and second, because sufficient funds are not available to liquidate any large percentage of the home-mortgage indebtedness of the country.

In addition to the refunding of mortgages as above stated, home owners may redeem or recover their homes lost within two years, on the same terms, provided the present holder will accept the bonds in the same manner as bonds would be required to be accepted for a mortgage.

The market on the bonds of the Corporation will be held up, among other things, by the fact that any person indebted to it may pay his debt with the bonds at face value.

The matter of appraisal is the most difficult problem to be dealt with by the Corporation on account of the chaotic condition of the country with reference to values. The act directs that the Board shall make rules for the appraisal of property on which loans are made so as to accomplish the purpose of the act and the purpose of the act is relief to home owners. Therefore, it must be the purpose of the Corporation in making appraisals to arrive at the fair worth of the property and definite rules will be laid down in an effort to accomplish this purpose.

The act provides for Federal savings and loan associations in territories not now served by local thrift and home-financing institutions, and these associations will be organized, as provided in the act, under rules and regulations made by the Federal Home Loan Bank Board. These rules and regulations are now in preparation and it is the hope of the Board to be able to provide all forms for the organization and operation of these associations within 3 or 4 weeks. These associations will be cooperative mutual savings funds, substantially all of which funds will be loaned on homes in the community. They will be organized under a Federal charter but will operate locally and be managed locally. The act provides for the United States to take and pay for stock in these associations up to \$100,000 in any one association, paying the same in, dollar for dollar, as members of the association pay money therein. These associations will be members of the Federal home-loan banks and can secure additional funds from that source for lending on homes.

Persons interested in organizing such an association in their community should communicate with the Federal Home Loan Bank Board in Washington, D. C.

The problem of home-mortgage relief is a very grave problem. The administration has made every reasonable effort to solve the problem and to provide for adequate relief to home owners in distress. A grave responsibility rests upon the Federal Home Loan Bank Board to administer the relief in keeping with the wishes of the President and the direction of the Congress, and members of the Board are anxious to accomplish the purposes of the legislation and to give reasonable relief quickly.

Citizens should keep in mind, however, that our people owe more than \$20,000,000,000 on their homes and that no large percentage of this indebtedness can be liquidated or refunded by the instrumentalities at our command. It is hoped that all mortgage lenders will continue to lend money to the very best of their ability; and that all persons owing money on mortgages on their homes will continue to carry on the best they can without making efforts to refinance. A big enough job exists in mortgages that have matured and cannot be renewed and in mortgages so seriously in default that home owners are about to lose their homes. If good citizens who are able to do so will carry on, there is a possibility of relief for those who are unable because of unemployment or other unforeseen difficulties.

Three agencies have been made available for solving the problem, as follows:

First, the Federal home loan bank system, which is now in operation, is a reserve system which will enable home mortgage lending agencies to render better service, and it is hoped that this system will be able to expand the available capital for the financing of homes several hundred million dollars in the next few months.

Second, Federal savings and loan associations are authorized and funds are made available to promote these associations and take stock therein to develop new local thrift and home-lending agencies in communities not now having any such facilities, and it is hoped that several hundred million dollars of new capital may be developed through this means to supply the demand from home owners for money to finance their homes, and it must be kept in mind that the Federal home loan bank system and Federal savings and loan associations must be made to function in the normal mortgage market or there will be more and more distress cases.

Third, Home Owners' Loan Corporation is provided as a relief agency to refund with its bonds and in a very limited way with cash those home mortgages in such distress that the lender and the borrower cannot work their problem out in cases where the home owner still has an equity in his property, and it is hoped that this corporation will be able to refund the mortgages on a very substantial number of the owner-occupied homes of this country, thereby putting the owners in an easier position and saving them and, at the same time, relieving the real-estate market by removing these homes from the market, and it appears to be within the bounds of possibility that this corporation can save one-half million of American homes.

It remains to be seen whether the new Act will meet the needs of the situation any better than did the Hoover Act which it has repealed. That there is need for some such aid on the part of Government cannot be gainsaid. The operation of the new law will be watched with the keenest interest by all persons interested in better housing, who will hope for it a very successful career.

CLEVELAND IS READY

"Cleveland—the Slum Clearance and Rehousing Center of the United States"—is the slogan adopted in Cleveland by advocates of rehousing for the low-income group and for slum clearance projects.

It seems to be pretty generally conceded that Cleveland has gone further in preparing for large-scale housing projects with government aid than any city in the United States.*

Ohio was the first state to adopt a State Housing Act** to enable corporations formed for this purpose to borrow money from the Reconstruction Finance Corporation. Though we obtained the passage of the law by the state legislature on the 30th of September last, the oppo-

* Millar's *Housing Letter*, April 24th, 1933.

** H. B. No. 8—89th General Assembly, Ohio 3rd Special Session.

sition of certain real estate interests prevented the passage of this Act as an emergency measure and, therefore, the law did not go into effect until January 3rd.*

Early this year the State Board of Housing was set up with Clyde P. Johnson, Vice-President and General Manager of the Western and Southern Insurance Company of Cincinnati, as Chairman—other citizen members being Harry N. Hanson, President of The Toledo Plaster and Supply Company and former member of the General Assembly, O. W. L. Coffin, Secretary of the Cleveland Real Estate Board, and Archibald C. Davis of the Davis Lumber Company of Columbus. Other members are Theodore H. Tangerman, State Director of Commerce, John McSweeney, State Director of Public Welfare, and Theodore Brindle, State Director of Public Works.

Of the several applications made to the Board for approval of housing projects, two of them have received approval—one being for the “white collar” class, with rentals from \$35 per month upwards, to be erected on the boundary line between the City of Cleveland and Shaker Heights, one of its more fashionable suburbs. The other is a Negro housing development in Cincinnati to be built near the new Cincinnati Terminal. Applications have been made by these companies to the Reconstruction Finance Corporation but neither of them has as yet been approved.

The Cleveland project is being opposed by those interested in the problem of slum clearance and the providing of housing for the low-income group because it falls in neither of the above mentioned categories.

Although the Joint Council Civic Committee obtained pledges of cooperation from material men, bankers, property owners, builders, etc., it early became obvious that if the Reconstruction Finance Corporation continued its policy of loaning not more than 65% of the cost of the project, slum clearance and housing for the low-income group projects would be at a standstill.

Shortly after the first of the year it was rumored pretty generally throughout the country that the new Administration at Washington would inaugurate a more liberal policy encouraging this type of work. For this reason those interested in the subject have postponed further action until a new policy was adopted. It was obvious that if adequate housing was to be provided for the low-income group by means of limited-dividend corporations, such corporations could not raise the 35% equity money needed under the strict self-liquidating feature of

* *Housing*, Oct., 1932, page 183, for history of passage of the law.

the federal law. Unless the policy was changed or new legislation was adopted by Congress, the words "government aid" were mere empty words.

To further delay action, two of Cleveland's largest banks failed to receive a government license to reopen after the national bank holiday. These two banks have vast holdings in our slum territories and their cooperation was depended upon for the necessary equity money.

In the meantime Cleveland was not idle. Architects, city planners, builders and real estate interests proceeded to plan, so as to be ready if and when the policy at Washington was changed.

In addition to the Southington-Shaker Corporation, whose project was approved by the Housing Board and whose application is pending before the Reconstruction Finance Corporation, there has been incorporated The Cleveland Homes, Inc. This company, headed by Walter R. McCornack, architect, and Benedict Crowell, former Secretary of War, is going into a Negro housing project in one of the worst slum areas in Cleveland. Its application is now pending before the Reconstruction Finance Corporation.

The Cleveland Housing Corporation, another company, is working on a project in one of Cleveland's bad spots on the West Side and also on a downtown "white collar" project.

The Euclid Housing Corporation has made an application to the Reconstruction Finance Corporation for money to be expended for industrial workers' homes in the adjoining suburb of Euclid. The setup is unique in that the intention is to make the company a non-profit making venture. Individual owners of lots scattered throughout this village, who haven't the money to build, would pool their interests for the purpose of the equity financing.

Such architects as Abram Garfield, Joseph N. Weinberg, Frederick W. Striebenger, Louis R. Leonard, Benjamin Hubbell, C. B. Rowley and others, either have formed companies or are about to do so, all of whom have been meeting regularly and have entered into and agreed to be subject to the so-called "master plan." The purpose of this plan, which sets down basic principles of planning, is to have the various slum clearance and rehousing projects dovetail into each other.

That the hopes for a change in policy were well founded is evidenced by the fact that since the advent of the new Administration the Reconstruction Finance Corporation has approved a housing project in the City of New York in which the government has promised to participate to the extent of 85% of the cost, and in the passage of the National Industrial Recovery Act.

With the new liberal policy contained in that law, the enormous powers given therein to the Administrator and with the object of putting people to work, slum clearance and rehousing have received a new lease of life.

As these words are written there is being prepared a comprehensive programme requesting a loan of \$25,000,000 immediately, and many more millions over a period of years, the programme having in contemplation the gradual rehousing of all of the low-income group of our community and the clearance of our slums and the rehabilitation of our blighted areas.

No city in the United States is better prepared to embark upon a comprehensive and well thought out plan of slum clearance.

Only a few days ago the Real Property Inventory Committee of Cleveland made its Report. This Report contains comprehensive information on movements of population, number, size and types of dwellings, description of vacant sublots, allotted, unallotted and industrial acreage, vacancy, congestion, ownership and much other information needed for an intelligent programme for rehousing and rehabilitation of the community.

Unlike most cities, the Real Estate Board of the City of Cleveland is actually encouraging slum clearance and rehousing. The building industry from the architect through the manufacturer of materials down to the laborer is interested, if for no other reason, as one ray of hope for re-employment. Social agencies have already developed programmes of the new social situations that will have to be met. The city government of Cleveland is doing everything within its power to advocate and encourage these projects.*

Problems presented by existing building codes and new methods of construction are being studied with the view of making possible cheap and modern construction and yet providing for the employment of the maximum number of persons in the crafts.

Public opinion is continuously being stimulated and interest kept at the peak by exhibits of modern housing, through forums, radio lectures and discussions under the auspices of various civic organizations interested in the subject.

Recognizing that slum clearance and the rehousing of the low income group is a national problem, the solution of which can be accelerated by an exchange of ideas among thinkers on the subject through-

* *Report of Special Committee on Housing, Slums and Blighted Areas pursuant to Resolution 97934 by Mr. Bohn, Aug. 8, 1932.*

out the land, Cleveland is preparing to call a general Conference on the subject of slum clearance to be held in that city, probably on July 6th and 7th.

Believing that Cleveland is entitled to special attention from the Federal Government, the City Council of Cleveland recently petitioned the President of the United States and Congress "that Cleveland be selected as the city of the United States most prepared and best adapted for the location of a major demonstration of the benefits to be obtained from a comprehensive and planned housing programme for the low-income group and the reconstruction of slum and blighted areas."**

If the selection of the Tennessee Valley by the President for the demonstration of a huge industrial project is sound, then the selection of the best prepared and adapted city in the United States for a slum clearance and rehousing experiment is sound. The advocates of this theory do not presume to confine government activity along this line to Cleveland, but urge that special attention be focused upon our city because we have all of the necessary information—the result of years of preliminary fact finding.

We have the necessary state and municipal laws; we have obtained greater cooperation among seemingly antagonistic groups than anywhere else; our employment situation is particularly acute and the proponents of individual housing schemes have agreed to submit and subject their individual plans to a huge master plan of development over a period of years.

Insofar as Cleveland is concerned, years of discussion and preparation have now reached a climax. Government aid is essential to actually meet the problem created by the housing requirements of the low-income group. For the first time actual government help seems to be available.

ERNEST J. BOHN
Chairman, Cleveland Council-Civic Committee
on Slum Clearance and Housing

SLUM CLEARANCE CONFERENCE

CLEVELAND—JULY 6TH AND 7TH

The City Government of Cleveland has called a Conference on Slum Clearance to be held at the Hotel Cleveland on July 6th and 7th. The Preliminary Programme is as follows:

* Council Resolution No. 99801, by Mr. Bohn, adopted May 9, 1933.

TENTATIVE PROGRAMME

NATIONAL CONFERENCE ON SLUM CLEARANCE

July 6th and 7th, 1933.

The conference will consist of four main working sessions, two morning and two afternoon. Admission will be by ticket, without charge. Special group luncheons will be scheduled. On the evening of the first day there will be a banquet, with Abram Garfield of Cleveland as Toastmaster, to which Secretary of Labor Frances Perkins is being invited as principal speaker.

MORNING SESSION, THURSDAY, JULY 6—Chairman, Ernest J. Bohn, Cleveland City Council, Chairman of the Conference and Chairman of the Subcommittee on Housing of the Mayor's Business Recovery Committee of Cleveland.

1. Address of Welcome by Ray T. Miller, Mayor of the City of Cleveland.
2. Rebuilding of Cities—by Mayor of one of our large cities.
3. Slum Clearance—What? Why? Now?—by Edith Elmer Wood, author of "Recent Trends in American Housing."
4. Various Points of View—A symposium of 3 to 5-minute talks
 - (a) Tax Assessor
 - (b) Sanitary Authorities
 - (c) Real Estate
 - (d) Apartment House Owners
 - (e) Blighted Area Property Owners
 - (f) Utilities
 - (g) Mortgage Banker
 - (h) Industrial and Commercial
 - (i) Labor
 - (j) Social Worker
 - (k) Religious
 - (l) Renter

AFTERNOON SESSION, THURSDAY, JULY 6—Chairman to be announced.

1. Planning and Slum Clearance—by Alfred Bettman, Cincinnati, Chairman of the National Conference on City Planning.
2. Basic Facts for Slum Clearance—by Howard Whipple Green, Supervisor of the Sixth District of Ohio 1930 Census; Director of the Real Property Inventory.
3. What Price Land for Housing?—by Eugene H. Klaber, Chicago, Chairman of the Committee on Economics of Site Planning and Housing—American Institute of Architects.
4. Self-help Slum Clearance—by Ralph Borsodi, Consulting Economist to Dayton's Unit Committee of Council of Special Agencies.

MORNING SESSION, FRIDAY, JULY 7—Chairman, Louis Brownlow, Director of the Public Administration Clearing House, Chicago. This session will deal with

the general subject of public participation in slum clearance. Inasmuch as there are important developments likely to take place in the next few weeks, this morning's session cannot be given final form now.

1. The Role of the Federal Government—A statement by the Federal Administrator of Public Works, or by his proper agent.

2. The Role of Local Government, by Clarence A. Dykstra, City Manager of Cincinnati, President of the International City Managers' Association.

3. The Role of "Public Bodies"—A discussion led by the chairman who will call upon persons qualified to speak.

AFTERNOON SESSION, FRIDAY, JULY 7—Chairman, Mr. Brownlow. The direction of discussion at this session will be in the Chairman's hands. The objective of the session is to focus attention on action that can now be taken, while at the same time bringing out the necessity of giving due consideration to the long-term soundness of any project now planned or undertaken.

1. How the Washington Alley Slums have Been Seventy-five Percent Cleared—by Appleton P. Clark, Jr., President of the Washington Sanitary Housing Corporation. Thirty-five successful years' experience in low cost housing.

2. Roll Call of Cities—A symposium of 3 to 5-minute talks by representatives of various cities, each telling what the situation is in his city, what the problems are and what is likely to be done.

3. Report of the Resolutions Committee.

4. In Conclusion—A summary of the entire conference and its significance, by Mr. Brownlow.

LUNCHEONS

Luncheon hours have been left open in the expectation that various groups will want to get together to talk over, more or less informally, problems in which they have a special interest.

The following special luncheons have been suggested:

1. Friday Noon—Mayors, City Managers and Other Municipal Officials, Mayor Ray T. Miller presiding.

2. Thursday Noon—Negro Housing—Alfred K. Stern of the Julius Rosenwald Fund of Chicago, presiding.

3. Thursday Noon. Building Trades and Contractors—William Rossiter, presiding.

4. Friday Noon. A group meeting of those particularly interested and concerned with organization and financial setup of housing corporations—Benedict Crowell, presiding.

Persons desiring further information should write to John H. Millar, Secretary, 1503 Builders Exchange Building, Cleveland.

THE DELAWARE HOUSING REPORT

The Delaware Housing Commission appointed by the Governor to study housing conditions has presented a Report on the metropolitan area of Wilmington—comprehensive in character yet concise in expression. Readers of the housing annual issued by the Philadelphia Housing Association will find that this Wilmington report includes an analysis of many of the factors which that organization for years has held to be essential to a comprehensive study of urban housing problems.

There is an analysis of assessment districts with information as to fluctuations in values and population, and a vacancy survey which shows a current vacancy rate of about 2%, with 1200 families sharing their homes with other families. The study of distribution of population by income ranges shows—as is common throughout the country—a large percentage of families receiving low incomes with practically no adequate housing provided to accommodate them.

In an analysis of new dwelling construction from 1922 to 1931, inclusive, the Commission points out that only 1.5% of the houses sold were at a price of \$4,000 or less, yet 80% of the population receive incomes below \$2,000 a year. The apartment construction for the same period provided accommodations for families of even higher incomes and added no accommodations to supply the needs of families who could not afford to pay or rent family accommodations at a price less than \$4,000.

No records were available to show the amount of conversion of single houses into multi-family houses but it is stated that the majority of the vacant apartments are of the converted type, and of these over 60% rent for above \$40 a month. Of the total accommodations provided by new construction and by conversions during the decade, rentals and sales prices were at a figure disproportionate with their incomes.

In Wilmington—as the Housing Association of Philadelphia has found for its area—the Commission finds that the enforced purchase of homes beyond the buying power capacity of the people to be a major factor in the increase in the number of Sheriff writs. During the years 1924 to 1927 inclusive, Sheriff writs were relatively few in number; but, beginning with 1928, there was a definite increase—with a very radical increase in 1932. The Commission points out that “If the bulk of the home owners were carrying their homes on a conservative basis, no such startling increase would have resulted”, and issues a warning that future dwelling construction must be made available

within the capacity of the wage earners to pay, without overburdening themselves.

The Commission definitely challenges the theory that the movement of population into new housing—even when such new housing is beyond the means of the families purchasing it—leaves vacancies in older buildings to which the poorer families can move. Their contention is that the higher rents which attended the period of inflation were capitalized into ground values. “In order to produce low rents it would be necessary either for the owner to write off a large capital loss or to permit disastrous overcrowding.”

It estimates that only 545 new family-accommodations would be needed annually to take care of the increase in population, and recommends that at least 80% of this increase should be in homes to be sold for \$4,000 or less. However, this proposal has to do only with accommodations provided for the population increment. It does not, as they state, take into consideration the thousands of families now paying “an undue proportion of income for housing”. Nor does it include replacement needs for obsolescence, or even for demolished structures.

Owners of old housing are advised to revalue their homes in order that they may be brought within the reach of the average buyer or renter; but the Commission does not seem to be very hopeful that such revaluation will voluntarily take place. It sees the need, therefore, for a programme of building houses at the lower sales or rental prices. The Commission has overlooked the fact that the increase in sheriff sales has initiated an enforced revaluation and—whether such owners wish to or not—they have to scale down rentals if they wish to retain tenants; for, although the vacancy rate is low, yet the decreased earnings—and in many instances no earnings at all—have brought another factor to bear enforcing such adjustment. Such a factor is automatically reducing land values.

The Report contains a discussion of slum conditions, their causes and effects, and the methods by which their spread may be brought under control. Reconditioning is recommended, as is also the adoption of a housing code and the inauguration of slum clearance projects. It is worthy of note that in consequence of the report of the Commission, the legislature of Delaware has passed a state housing law which will make it possible for limited-dividend housing companies to borrow funds from the Reconstruction Finance Corporation.

Only a casual survey was made of the sanitation aspects of Wilmington's housing problem. This problem appeals to the Commission as sufficiently acute to warrant a special study with the formulation of a programme to correct insanitation and prevent its recurrence.

There are several pages of recommendations in the Report that call for legislation, for new construction—particularly of low cost housing—and a renovation campaign directed toward the improvement of the structural and sanitary conditions of vacant properties, so as to bring them into the rental market and forestall an imminent housing shortage.

BERNARD J. NEWMAN*
Philadelphia

THE LAW THAT FAILED

The three housing bills—designed to create a State Board of Housing, to authorize the operation of limited-dividend housing companies and to initiate comprehensive plans and projects for slum clearance—which were introduced at the recent session of the Pennsylvania legislature, were dead in committee when the legislature adjourned.

As was not the case in the previous efforts to secure this legislation, the proponents were well organized and worked in close harmony. They faced a disorganized legislature interested in beer legislation, in Sunday baseball and in trying to discredit the Governor with the voters of the state. Even unemployment relief was juggled in the effort to secure factional political advantage. Housing legislation in consequence had not the slightest chance of enactment. In over 22 years experience with Pennsylvania lawmakers, the writer cannot recall a session of the General Assembly where less was accomplished. Political leadership was lacking; while the wishes of the people—evidenced by the calibre of the backers of remedial laws and by editorial comment in the public press—were flagrantly flaunted.

The only organized opposition to the proposed housing legislation came from a politician who admitted that he represented certain builders. His criticism offered at a public hearing was that the federal funds available for slum clearance projects belonged to the taxpayers, and since the bills did not permit commercial builders to borrow for their operations in non-slum areas, such builders were opposed to competitive construction with the aid of government funds. Some Senators also objected to the proposed grant of power to use the right of eminent domain for slum clearance; but, as the bills did not reach the Senate, there was no chance to test out the strength of that opposition.

* According to Mrs. Helen Ducey Hoffman who directed this survey, the Commission was much aided in its work by Mr. Newman and his associate, Mr. Moule—Editor.

Some of the organizations interested in these bills have asked the Governor to include housing legislation in any call which he may issue for a special session of the General Assembly. The Philadelphia Housing Association, however, is postponing any action pending the passage and interpretation of the National Industrial Recovery Bill.

BERNARD J. NEWMAN
Philadelphia

DWELLING DEMOLITIONS IN PHILADELPHIA

The demolition of dwellings in Philadelphia during 1932 was greater than in any previous year in the past decade.

More than 1500 structures were torn down, of which 1284 had been used for dwelling purposes—a loss in housing of more than twice the number of family accommodations provided through new construction. In fact, the last 3 years' new construction, as opposed to the demolitions for the same period, left a net gain of only 117 accommodations in dwellings and apartments. Furthermore—if Census figures for population growth for these 3 years are accepted—new dwellings to meet this growth and to take care of demolitions should have supplied homes for 12,000 families. As a matter of fact, structures housing transients were also torn down and no new buildings of like character provided.

While this shows very conclusively that new construction is not keeping up to demolition, yet an analysis of the dwelling structures removed reveals some encouraging features, namely, that 93% of these houses were substandard—beyond hope of reconditioning. More than 500 of these had been on the records of the Philadelphia Housing Association for a period of years as unsafe and insanitary, while 17% were alley and court properties—the removal of which is a definite contribution to housing betterment.

It is significant that less than 15% of the sites are being used for new structures, of which only slightly over 1% are for dwelling purposes. The remaining sites are being left clear or are being used for parking purposes. The rent received by the owners of these demolished structures in recent years was less than the cost of maintenance and taxes and they preferred to raze the buildings as an economy measure.

The demolitions of the past year are a decided move in the direction of slum clearance since over half of them occurred in the old blighted area. However, the absence of a plan which would prevent duplication of the errors of the past partly nullifies the value. Economies in municipal government undoubtedly would result from the

proper use of this vacant land, as a sizeable amount of assessed valuation is represented.

In a 10-year period, accommodations for 58,607 persons in 7083 houses were removed—equivalent to the wiping out of a good sized town.

BERNARD J. NEWMAN,
Philadelphia

THE PERILS OF HOME OWNERSHIP

SHERIFF SALES IN PHILADELPHIA

Sheriff sales reached new heights in Philadelphia during 1932 but, in spite of tax delinquencies totalling \$28,000,000, there were hardly any parcels sold under the auctioneer's hammer for claims filed by the city.

The sheriff sales represent ownership failures by mortgage owners as well as by occupant owners. Both lost their dwellings through mortgage foreclosures.

In Pennsylvania the law does not permit mortgages on properties to be disturbed by tax sales if they were recorded prior to the tax delinquency, and since the city does not wish to enter the real estate business it has no alternative but to refrain from foreclosing for tax arrearage, because there are few buyers willing to assume both the first mortgage and the tax obligations in order to gain title to a property.

Altogether, 23,026 dwellings, lots, and commercial and industrial structures—representing debts of \$145,800,000—were listed for sale by the sheriff. Of these, 93% were actually sold, with the result that sheriff sales amounted to approximately 4.5% of the total number of dwelling structures listed by the assessor, but this undoubtedly includes many instances where one property was resold one or more times.

New houses and old houses suffered alike; and while in many cases the investment owners met disaster because tenants have been unable to pay rent, the chief cause of the city-wide distress was to be found in the small equity, or in "shoe-string" management.

The fact that sheriff sales began to increase back in 1926 during the years of so-called "Coolidge prosperity" supports the contention of the Philadelphia Housing Association that overbuilding of houses in the higher price ranges without regard for the proportion of future householders capable of meeting the interest and amortization costs, is the basic cause.

BERNARD J. NEWMAN
Philadelphia

SOME CONSEQUENCES OF THE DEPRESSION

HOMES IN PHILADELPHIA AFFECTED

The annual rent survey conducted by the Philadelphia Housing Association reveals that rents in areas of industrial housing continued to decline during 1932. Over 62% of the properties studied had decreases and the gross reduction was nearly 11%. This is a continuation of the trend toward lower rents which began in 1927.

An important factor in present rent conditions is the tendency toward arrearages on the part of tenants. While it is difficult to obtain complete data—for some tenants refuse to give the information—the fact that 40% of the tenants interviewed admitted being behind in their rent payments is an indication of the extent of delinquency. Periods of delinquency varied from one month to 2 years—the average period being about 4 months.

Once a family has fallen seriously behind in rent payments and exhausted the patience of the landlord, movings are frequent. Often families scrape together enough money to make one month's payment on another house and move, only to start the process of delinquency over again. Sometimes the landlord even contributes the amount of one payment on the next house in order to get the family out, but in many cases the landlord realizes that he is better off with his property occupied and protected against the unchecked vandalism which is resulting in the total demolition of many vacant structures. There have been few actual evictions in Philadelphia, probably not more than in normal years.

Landlords are, therefore, making a sizeable contribution toward relief. The fact that this philanthropy is in many cases unavoidable—or the lesser of two evils—in no way detracts from the relief afforded the tenant. Unfortunately, too many tenants are losing their sense of moral responsibility both for the rent they owe and for the care of the houses they occupy. There is no more reason why the rent of a dwelling whose owner has obligations in taxes and mortgage interest, should remain unpaid than there is for the grocer to furnish free food. Worse still, the excessive losses involved in rent arrearages today are having a decidedly unfavorable reaction upon the sanitary maintenance of such rental dwellings.

The analysis and correlation of the rental figures show that rents are not on an income-producing basis. Landlords are continually cutting down to the level of the tenants' ability to pay—even to the point in many cases where payments in any sum are accepted.

Notwithstanding this adjustment in rents to a lower basis, scores of thousands of families are not paying rent, and, apparently, there is no chance of getting rent from them.

Confronted with material reductions in rent return in some cases and entire loss in others, investment owners of rental properties are losing their houses through sheriff sale.

The bankruptcy of home owners as well as owners of rental properties may have a serious effect on future investments in dwellings and may curtail dwelling construction by limiting the number of buyers. If this occurs, rents are bound to rise to housing shortage prices and existing dwellings will be subdivided—thus producing the evils of overcrowding and congested occupancy.

The families now doubled-up—and there are at least 28,000 of them in Philadelphia living with relatives or friends—will when times improve demand separate housing accommodations. Individual ownership lessened by the unwillingness of investors to tie up their funds in dwellings that have proven so hazardous in times of economic distress may force a change in the type of ownership. A decrease in the number of owners of small groups of houses may force the organization of large home-management companies, placing housing in the public utility field.

The difficulties of the landlords have increased the number of unsafe and insanitary dwellings. Tenants have grown accustomed to substandard conditions and have lowered their living standards, with the result that housing betterment will probably make slow progress for some time to come.

Finally, there is a growing tendency throughout the country to recognize the burden that the investment owner of dwellings is carrying. Mortgage interest and taxes are being demanded as rigidly as ever, even when rental returns have stopped. Foreclosures result and the vicious circle is rounded out. The income of municipalities is affected; banks and mortgage agencies are accumulating more real estate than they can manage successfully; individual owners, coping with vacancies and delinquencies, have lost their savings in real estate investments, and their buying power is necessarily curtailed.

The whole real estate and rental situation constitutes a problem as serious as any of the many problems that were causative factors in the creation and prolongation of the present depression.

BERNARD J. NEWMAN
Philadelphia

OUR CHANGING CITIES

EXPANDING SLUM AREAS

Our municipalities have large and expanding areas of

congested, deteriorated, insanitary or unsafe housing
decreasing population
decreasing property values
decreasing tax revenues, and
increasing costs for essential public services.

The rate of population growth of our municipalities is *decreasing*.

The areas over which urban population can and does spread, is *increasing*, due to improved transportation and to distribution of centers of employment.

Consequently there is a diminishing pressure of population upon the land.

Consequently land overcrowding is ceasing to be profitable to anyone.

SHIFT RATHER THAN GROWTH

The significant feature of modern urban life is not an increasing congestion in cities but change in character of neighborhoods—not increase of population but shift of population. Having opportunity to choose, people are leaving the less desirable areas for the most desirable areas.

This makes urgently necessary setting and maintaining proper housing standards in areas to which population is shifting. It makes even more urgently necessary the reconstruction of deteriorated areas from which population is going. These deteriorated areas are becoming serious economic and social liabilities.

With the departure of many of the more vigorous and ambitious residents of deteriorated areas, an increasing proportion of the remaining population are families of low income who remain because they can there secure the cheapest living quarters in the obsolete and dilapidated dwellings. The site of these dwellings could be put to a better use, economically and socially, than that it is now serving. It is depreciated because of the character of the dwellings. These dwellings also affect adversely their occupants—increasing tendencies toward sickness, delinquency and dependency.

LIABILITIES TODAY—GREATER LIABILITIES TOMORROW

Desertion of the old congested, deteriorated areas has been checked by unemployment; families without jobs tend to stay where they are unless evicted. Families who have moved to better areas and then lost their jobs tend to drift back to the poorest dwellings. Nevertheless, the deteriorated areas contain many vacant dwellings. The return of good times will increase the number of vacancies. Today these areas are liabilities; tomorrow they will be greater liabilities, unless they are dealt with constructively.

THE PART OF GOVERNMENT

Reconstruction of deteriorated areas can be successfully undertaken only upon a considerable scale. The construction of a single building in a deteriorating neighborhood is a hazardous venture. Operation upon a considerable scale necessitates facilitation by governmental agencies. The assembling of a large number of parcels of land by private barter alone is impracticable.

Reconstruction of deteriorated areas may necessitate the rehousing of part of the present population.

JOHN IHLDER
Boston

BOSTON ORGANIZES FOR HOUSING

The Boston Housing Association organized in 1918 but dormant for a number of years, was revived in April, 1932 to take up the programme that had been inaugurated by the Massachusetts Housing Association.

The latter had been endowed under the will of George E. Henry of Winchester and John Ihlder had been invited to become its Executive Director. Due to a disagreement in the Board with regard to investments a year ago, all of the board members but one resigned. That one reorganized the Association on the basis of loaning money to home owners who were in mortgage difficulties.

Those who had become interested in the programme developed by the Massachusetts Housing Association thereupon revived the Boston Housing Association, asking Mr. Ihlder to continue as Executive Director and have secured financial support for the revived Association, which for the past year has been filling the field that its predecessor had occupied.

JOHN IHLDER
Boston

MASSACHUSETTS HOUSING BILL

The Committee on State Administration, a joint committee of the Senate and the House of the Massachusetts legislature, held a hearing on the Massachusetts Housing Bill last March.

This measure gives Massachusetts the power to deal constructively with those areas that through deterioration or decay have become social and economic liabilities, and enables it to facilitate the provision of good housing for families of low-income in place of present unfit housing. Its purpose is to substitute good conditions for present bad conditions.

The Bill provides for:

1. The creation of a Division of Housing in the State Department of Public Welfare.
2. A study of housing needs throughout the state and the preparation of plans to deal with those needs.
3. The forming of self-liquidating, limited-dividend corporations to:
 - (a) provide housing for families of low income
 - or to
 - (b) reconstruct slum areas.
4. The strict regulation and supervision of these corporations by the state Division of Housing.
5. The limitation of dividends to 6% per annum.
6. The regulation of rents and other charges.
7. The payment of any profits above 6% into the general fund of the Commonwealth.
8. Exercise of the power of eminent domain
 - (a) pursuant to the eminent domain law
 - (b) when specifically authorized by the Division, acting on recommendation of the Advisory Council, and on certification that the acquisition of the property and
 - (1) the construction of the particular housing accommodations
 - or
 - (2) the particular slum reconstruction project are in the public interest and necessary for public use.
 - (c) when at least 50% of the required area has already been secured or is under option, if so required by the Division
 - (d) if all expenses of the condemnation are paid by the limited-dividend corporation.
9. An appropriation to cover the expenses of the Division and authorization to collect fees for services not to exceed one-fifth of 1% of a project undertaken by a limited-dividend corporation and in no case to exceed \$5,000 for any one project and to cover specific expenses. All such receipts to be paid into the general fund of the Commonwealth.

The measure was prepared by the Housing Advisory Committee of the Boston City Planning Board. In support of it at the hearing appeared a great number of civic, commercial, labor and social agencies in Boston, as well as representatives of other Massachusetts cities and towns. Among the latter were Pittsfield, Lowell, Springfield, Quincy, Newton and Somerville.

Boston was represented by its Building Commissioner, Edward W. Roemer, Frederic H. Fay, chairman of the City Planning Board, William Stanley Parker, Chairman of the Housing Advisory Committee and President of the Architects' Small House Service Bureau, and John Ihlder, Technical Director of the Housing Advisory Committee and Executive Director of the Boston Housing Association.

Among the private agencies represented were the New England Council, the Massachusetts Federation of Labor, The Associated Industries of Massachusetts, the Massachusetts Federation of Churches, the Massachusetts Civic League, the Women's Municipal League, the Boston Central Labor Union, the Building Trades Council of Boston and vicinity, the Harvard School of City Planning, Better Homes in America, the Boston Council of Social Agencies, the Associated Jewish Philanthropies, South End House and Denison House settlement houses, the Boston Housing Association, the Boston Society of Architects, home building companies from Springfield and other cities, the Boston Rooming House Association and others. H. Murray Pakulski, Assistant Corporation Counsel of the City of Boston, conducted the hearing for the proponents of the measure.

In opposition the Boston Real Estate Exchange submitted a written statement based upon the action of the National Association of Real Estate Boards, and one man asked opportunity to be heard later. Two days later further oral statements were made and at the same time a prominent builder and an architect appeared in support of the bill.

The Massachusetts bill* while based upon the New York State Housing Law differs from it, not only on some points of legal procedure and in containing no provision for tax exemption, but even more definitely in providing for slum reconstruction as an activity distinct from the provision of housing for families of low income. It emphasizes the reconstruction of slum or distressed areas that are liabilities and that are today a constant cause of expense and of high taxes. These areas may be reconstructed in accordance with the economic and social needs of the community. Supplementary to this reconstruction is the provision of housing for families of low income. This housing may be either in the reconstructed area or in some other part of the community in accordance with need. It may be in existing houses that have been reconditioned or in new houses.

JOHN IHLDER
Boston

* This legislation failed of passage—Editor.

BOSTON'S HOUSING SITUATION

The appointment by Mayor Curley of an Advisory Committee on Housing to cooperate with the City Planning Board is a sign of the times. There is always a great deal of activity in different branches of this subject by ten or a dozen organized agencies each working generally in its own particular corner of the larger field. To name only a few, I might instance the work of Better Homes in America Inc.—which has more than 100 local committees throughout Massachusetts, giving assistance and stimulating activity in improving the design, equipment and furnishing of homes and economies through budgeting and other improvements in home making technique—the Architects' Small House Service Bureau seeking to provide home owners with good designs and unbiased technical information; the Women's Municipal League; and the Massachusetts Civic League; and the various social agencies bringing pressure to bear in various ways for the correction of undesirable living conditions.

These are the patient, unobtrusive, unspectacular efforts continually being made by public spirited people interested in the improvement of our communities. If our housing is improved, our communities are improved. For, what is more fundamental than our home living conditions? Our home life is our main interest. Its satisfactions are what make the day's work worthwhile. It is valuable therefore to have many agencies always helping to foster conditions under which home life can be healthier and happier.

What then is the special significance of the Advisory Committee on Housing? It is the fact that in this Committee are gathered together representatives of all the separate organizations interested in housing, together with some 20 other persons individually representative of all sections and interests in the city, for the purpose of correlating all these activities, of getting a composite picture of the whole housing situation, and laying out a programme for the future that will best coordinate all the separate activities and make them all count as steps towards a definite, clearly seen objective. That objective might be stated as the elimination of all unfit housing, the best improvement of housing that is suitable for use, and the construction of required new housing best adapted to the needs of its occupants. This last point involves the creation of desirable neighborhood conditions as well as the construction of housing units which are in themselves well designed and built.

The special and immediate reason for the appointment of the Advisory Committee is the fact that the National Government has made

available through the agency of the Reconstruction Finance Corporation, large funds for self supporting public works and for low-cost housing and slum-clearance projects under certain restrictions, involving limited-dividend companies under supervision and control by state or local Housing Boards.

These funds are made available in this way for two reasons,—money is not available through the normal local agencies for such projects due to the present financial situation, and national steps are needed to promote building activity so as to provide employment.

It is desirable therefore to make a careful survey of the local situation to see if there are latent opportunities for the development of low-cost housing or slum-clearance that can be undertaken with the aid of these funds. The first step is to secure the passage of legislation providing the organized control through some State Housing Board, required by the Relief Act under which the Reconstruction Finance Corporation functions. The drafting of legislation to this end is being developed by the Advisory Committee as its first important act. This legislation if enacted will be the first step in the process as without it practically nothing can be done. New York was the only state having such legislation in force when the Relief Bill was passed. Since then several states have attempted the passage of the necessary laws and in one or two cases this has been accomplished.

A SURVEY NEEDED

The next step is to make a thorough survey of the city to see where projects could to advantage be developed. This is in no way a simple task. It is equivalent to undertaking a similar survey for a dozen small communities; for, there are as many different sections of Boston that are as distinct from each other in their social and physical conditions and problems as are the different communities that make up the metropolitan district. It is necessary therefore to study these districts individually in great detail, charting in easily understandable ways the various fundamental facts, such as the uses of property, population density and trend, obsolete buildings, public buildings and play spaces, traffic and transportation data, property valuations, and many other related facts. These must be known when decisions are made involving rehabilitation of existing buildings or the construction of new ones.

There is one point I should like to emphasize in connection with these studies. It is that we need the organized help of the residents of these districts in collecting the data and also in analyzing it. It is important therefore that in each section of the city local community

committees be organized with which the Advisory Committee on Housing can cooperate. These committees should be large enough to contain at least one representative of each important factor in the district—such as the local business men through their Board of Trade or whatever similar body may exist as an organized group, the local social service agency, the local Better Homes Committee, property owners through their organization if there is one, and if not, then through carefully selected individuals representing the different types of ownership that happen to exist, the local Rotary Club &c.

EACH DISTRICT A COMPOSITE PERSONALITY

The reason for this need is that each district is a good deal like a composite personality that has a piece of property to be developed. An architect cannot design a house for a client until he has come in touch with the client, has discussed his needs and preferences and studied with him the various opportunities offered by the property, the way the client wants to live, the number of persons in his family, and so on. Now any one of these districts must be able to develop and express its own convictions and desires on these points if it is to look forward to an orderly, controlled development, rather than a haphazard Topsy-like growth.

Unfortunately all our communities in the past have left their development too largely to the individual initiative of the speculative operator in the use of land. The advent of Zoning not many years ago was a first step towards an orderly planned development. It established districts limited to specified uses but these necessarily involved troublesome border lines where districts meet that needed more or less constant attention and periodic adjustment to fit new conditions. To control living conditions to some degree building and zoning laws establish minimum requirements for open spaces, height, etc. But these very minimum conditions unfortunately tend to become maximum conditions for buildings being built in speculative competition with each other. And they have not prevented, indeed have even aided, the building up of monotonous, unattractive, districts that were poor investments for long term ownership, as their inherent qualities tended to rapid depreciation of the structures and of the use value of the district as a whole.

Many of these districts now exist and a new attitude towards them is needed if their best usefulness is to be developed, their legitimate property values stabilized, and appropriate surroundings for residential uses created and maintained. We must think in terms of com-

munity environment not single unrelated houses or other residence structures. That can only be done by group thinking and the development of a community consciousness in each district. The Advisory Committee is seeking to develop this; and some progress has already been made in two districts—the South End and the North End.

In the South End a committee of 20 has been created and has started studies of several local problems through sub-committees on yards and open spaces, house improvement, obsolete buildings, streets and alleys and community influences.

I do not desire to give the impression that such efforts are easy or quickly productive of spectacular results. The mere creation of such a committee is not going to result in a large sum of money being made immediately available for some impressive large-scale housing development. It may well be that the district is not suited to any such development. If there are in the district some sections that deserve the title of slums they may be of such limited extent and so close to reasonably satisfactory structures as to make extensive reconstruction impracticable. It may be that it will prove to be a case of condemning and removing the buildings that are unfit and leaving the area permanently open to improve the general condition of surrounding housing. It may be a case merely of relatively minor alterations and repairs and internal equipment to make the buildings fit for occupancy.

It may be, however, that over a substantial area there is found to exist a group of obsolete structures, lacking any reasonable provisions of light and air and privacy and incapable of securing those necessary housing conditions short of general demolition and reconstruction. If existing conditions are a source of disease and other community ills, then it becomes a matter of practical community interest to bring about a correction of existing conditions; and the question of financing the necessary operation becomes the factor of controlling importance.

SOME VITAL QUESTIONS

At once the natural difficulties of the situation become apparent. How will the property be acquired and at what price? Who will pay for it, the community or some private corporation interested in the new construction? If the houses are unfit to be used and cannot be made fit for use what value should be set upon them, or is it proper to say that they have no value? If they are actually earning money should this earning power be taken away from the present owner without compensation? How much has the owner already made on the cost of the structures and is it fair to ask him to contribute the buildings for the

sake of making the improved housing possible? Is it perhaps possible that he will be better off financially, if he does throw away his present buildings in order to permit a better and more remunerative development of his land as a part of a larger area?

All these questions and many others will have to be correctly answered before any project can be determined upon as desirable. Then, if a desirable and financially sound project has been developed, one-third of the total cost must be raised locally, as government funds will not be loaned above two thirds of the cost. The land owners may be willing to put in their land taking stock in the new venture in return, but the land will probably not exceed one fifth of the cost and may be lower, so that probably from 15 to 20% must be local capital. This will not be the easiest part of the problem under present conditions.

POPULATION DENSITY A FACTOR

In all these studies the question of population density will demand consideration. At present we find in our most crowded sections 150 families per net acre of land. From that figure it drops to 8 or 10 families per acre in the more open single-dwelling districts. For many decades our population has been steadily increasing and the tendency has been to accept as probable a gradually increasing density in our more thickly populated areas. But now there has come a change. Statistics indicate a definite decline in the rate of annual increase and it is claimed on good authority that by 1960 annual increase will have ceased and the population of the country as a whole will have become stabilized.

If this is true or approximately true we should take it into account in planning the future densities of the different sections of the city, and these various densities will determine the kind of housing and the average cost of housing needed, and the maximum land cost that such housing can afford.

In order then to develop a housing scheme of any kind we must succeed in finding land available at a price that the kind of housing appropriate to the site can support without putting more families on the lot than the reasonable population density of the district will dictate.

To accomplish that difficult operation in any district with its complicated local problems will require the cooperation of the best brains available in the fields of real estate, banking, architecture, contracting, and of the social agencies that can help to develop the community aspects of the problem and the character of the housing best suited to each local use.

It is the purpose of the Advisory Committee on Housing to bring together those brains in a coordinated effort to establish a sound programme in each district for the best development of its opportunities as a place in which to work and reside, with adequate facilities for the education and healthful recreation of the children who will be the citizens of the next generation.

WILLIAM STANLEY PARKER
Chairman, Advisory Committee on Housing,
Boston

HIGH LIGHTS IN CINCINNATI'S HOUSING SITUATION

At the special session of the Ohio legislature held in October a State Housing Law was passed providing for the regulation of limited-dividend housing corporations. It follows closely the provisions of the New York Law but does not provide tax exemption, which under the constitution of Ohio is not permissible. The initiative for the enactment of such a law came from Cleveland, where several groups have been much interested in slum clearance projects and where, it is said, they are ready to proceed in the near future. The State Housing Board authorized by the law to pass upon proposed housing developments consists of the heads of the State Departments of Commerce, Welfare and Public Works and 4 other members appointed by the Governor.

The Better Housing League has advised the public not to expect too much of this law. To carry out a satisfactory slum clearance project is not a simple problem. The high cost of purchasing existing property in the congested areas and the costs of a rebuilding scheme make it exceedingly difficult to provide rents within the means of the low-income families. The Board of Directors of the Model Homes Company is understood to be considering a project. Other groups are known to be giving thought to the subject.

It is our belief that if a project complying with modern housing and planning standards can be carried out here, it will be beneficial in providing some stimulus to business and to employment, and in providing better homes where they are urgently needed. We believe it would benefit property owners in the congested areas; because, during the period of the development a considerable number of families would be displaced and would find homes in many of the present vacant properties; if properly limited as to the amount of land the buildings may occupy, the project will not house more families than it displaces; and it is practically certain to benefit the immediately surrounding properties.

We have no illusions as to the probable extent of housing projects likely to be carried out in Cincinnati through this instrumentality. Even the most optimistic view leaves it obvious that it will not do more than make a dent in the solution of the problem of slum clearance.

TWO ROOM FLATS PREVAIL

A rental survey of 1000 flats made by the League last June showed an average rental of \$5.47 per room per month compared with \$6.60 in 1930, and \$7.78 in 1924. The survey was a sampling of selected blocks in the congested areas. It is probable that a study of a larger area would show a lower rental average. We are also convinced that there has been a further decrease since the survey was made. It is of especial significance that 47% of the flats surveyed consist of but 2 rooms. This bears out all of our previous findings—namely that a large percentage of our poorer families live in 2 rooms. Here is a factor frequently overlooked in considering the possibility of building new houses for the lowest income group. Two rooms are not sufficient for an acceptable standard of housing. This tends to confirm our belief that it is hopeless to try to rehouse the very poor in new houses. They cannot afford the cost of new houses unless the whole method of providing housing is revolutionized by introducing the subsidy principle—never utilized in the United States, except to a very limited extent in New York City.

THE CHALLENGE OF THE "BASIN"

We are convinced that the time is approaching when the pressing problem now existing in the congested tenement areas of Cincinnati will be felt so keenly that a far-reaching programme will have to come. The experience of the lower East Side in New York is the "handwriting on the wall." A comprehensive study recently completed there at the expense of the property owners shows that the population of this district has been decreasing at a startling rate. They have a constantly larger percentage of vacancies and property values are rapidly on the downward grade.

A similar situation, we believe, is at hand in Cincinnati. Studies made as to developments during the past 25 years show a constantly decreasing population. In 1900 the population of the "Basin" area was 165,925; in 1910 it was 153,900; in 1920, 128,850. While comparative figures for 1930 cannot now be presented, the decline of about 1% per year we know has been accelerated. It is significant that, notwith-

standing the condemnation of nearly 100 buildings a year in the congested area for the past 10 years, there is still a high percentage of vacancies today.

It seems inevitable that unless drastic steps are taken to reclaim these areas with a better type of structure, this depopulation trend will continue, vacancies will increase and property values will gradually fall to lower levels. This is a serious outlook—serious for the city because it means decreasing returns from taxation over an area in which the city has an enormous sum invested in streets and utilities; serious for property owners because it means increasing loss on their investment.

We sound the warning that the time has come when public officials and property owners must look at this situation from a long-time point of view and begin working on bold, far reaching plans for reclaiming these areas.

THE OUTLOOK FOR LOW COST HOMES

Students of the problem knew that the slump in building was coming before the general depression or the break in the stock market occurred. The slump started in 1928. It must be evident that the outlook for construction industries and material dealers will not soon present the same picture as it did before 1929. Factory buildings, office buildings and high cost homes were overbuilt.

Scientific studies of population trends in the United States show that the birth rate is decreasing and that the population will not in future increase at the rate that it has in the past. Unless there is a complete change in the economic picture, the country will not for many years encourage large scale immigration. The greatest possibility for new building is, and will be, in the field of low-cost home construction and slum clearance. While Cincinnati does not have a shortage of houses, neither Cincinnati nor any other city in the United States has an ample supply of low-cost houses of acceptable standard. We believe that material dealers and the construction industry will eventually see that the chief outlet for the sale of materials and for building lies in these directions and will plan along these lines in a more far reaching manner than they have so far.

COUNTY PROBLEMS

It is pertinent to call attention again to the importance of a different set-up in the county government which will permit of the establishment of suitable zoning and building regulations for the entire county,

in order to discourage the too rapid development of subdivisions in the outlying sections—and particularly of subdivisions of an inferior type with consequent bad housing. There can be little doubt that already in this county too much land has been subdivided. While we do not have the exact figures for our county, a study made of this situation in Cleveland by a department of the federal government shows that in that city enough land has already been subdivided to take care of the growth of the city for years to come. This is not only unintelligent, but a costly economic error for the communities involved.

BAD EFFECTS OF THE DEPRESSION

The past two years have tried the souls of tenants and property owners in the tenement areas of our city. With the wage earners of 24,000 families more or less constantly unemployed and on the charity list, with the doubling up of families, with the non-payment of rent, the lowering of the general morale has exceeded anything previously experienced. Property owners, confronted by increasing vacancies and the impossibility in many cases of collecting rents, have been subjected to a serious ordeal. The Better Housing League has been in thorough sympathy with them, and the City Housing Bureau has been as lenient as possible in enforcing the City's housing regulations. The inevitable result is that we have slipped backward decisively in the march of housing progress in Cincinnati.

HOME OWNERSHIP INCREASES

It is pleasing to note that during the past 10-year period home ownership has increased in Cincinnati. In 1920 the percentage of families owning their own homes was 28.7% and in 1930 it was 36.9%. Compared with some other cities, the percentage of families who have lost their homes due to their inability to keep up the payments has not been excessive. Nevertheless, foreclosures here and elsewhere have been sufficient to cause us to hesitate in the policy that has been pursued so much in the past of urging home ownership upon all of our wage earners. Families without substantial savings and without stable incomes cannot buy homes without jeopardizing their savings. While home ownership is as desirable as ever, more discretion must be used in urging this step upon low-income families.

LAW ENFORCEMENT

The Housing Bureau of the City Building Department has continued its programme of sensible, intelligent and efficient administra-

tion of the city's housing laws. It is fortunate for the city and fortunate for the property owners of Cincinnati that this work is in the hands of an intelligent and responsible official who readily adjusted himself to the changed conditions and acted accordingly.

Despite the fact that the work of repairing houses in this city has been tremendously slowed down, nevertheless, excellent work was done by the Housing Bureau during the past year.

There were installed five hundred and four (504) new toilets; five hundred and two (502) new sinks and one hundred and eighty-seven (187) baths. Seventy (70) buildings were entirely overhauled or remodeled. In three hundred and thirty-six (336) buildings all halls and rooms were papered or painted. Sixty (60) dilapidated and insanitary dwellings were razed. Twelve hundred and twenty-one (1221) structural and forty-one hundred and forty-three (4143) minor repairs were made. The records of more than one thousand (1000) dwellings on which all orders were complied with, were closed. The Housing Bureau is continuing its yearly inspection of houses in the congested areas.

The Sanitary Division of the Health Department has made its contribution in improving general sanitary conditions, in safeguarding the water supply of dwellings not provided with city water, in trying to cope with the problem of carbon monoxide poisoning from unventilated gas stoves and in supervising garbage collection.

COOPERATION

The Better Housing League has continued its close cooperation with the Housing Bureau, carrying on its usual vigorous educational campaign with tenants. The League also has conducted housing courses in the schools and its Visiting Housekeepers, working with tenants to improve their housekeeping and with owners to make necessary repairs, have accomplished the following:

Four thousand and sixty-four (4064) family visits; one thousand seven hundred and fifty (1750) housekeeping instructions given; seventy-two (72) rental difficulties adjusted; seventy-four (74) families moved to better rooms; thirty-eight (38) cases of overcrowding eliminated; one hundred and two (102) eviction cases handled. Eight hundred and twenty-eight (828) interviews with owners of properties. Six hundred and thirty-two (632) first inspections of houses and one thousand eight hundred and twenty-six (1826) reinspections of houses. Five hundred and fifteen (515) conveniences, such as gas fixtures, electricity, etc., installed; five hundred and seventy-eight (578) health and fire risks removed; thirty-seven houses vacated and thirty-two (32) houses torn down. One thousand seven hundred and eighty-three (1783) repairs were made and four thousand two hundred and sixty-four (4264) parts of houses cleaned, painted and papered.

Both the Better Housing League and the City Housing Bureau are using their best efforts to try to make tenants maintain in good condition properties that have been repaired and renovated by owners. As soon as a building is put in first class condition by the owner, the

Housing Bureau refers that property to the Better Housing League and the visiting housekeepers continue to supervise it in an effort to keep it in good condition. When the educational efforts of the League prove unsuccessful with tenants, the Housing Bureau's inspector—police uniformed—appears upon the scene to compel compliance with the orders of the department. The method is proving helpful and to date no arrest of tenants has been found necessary.

HOUSE REPAIRS MAKE JOBS

Repairing houses owned by people with no funds and at the same time providing work for a few of the unemployed, continues to be an activity of the Better Housing League and the Public Welfare Department. It was initiated by the League at the suggestion of Mrs. Simon Kuhn, founder of our organization. Since this work was launched in November 1930, eighty-six (86) houses have been repaired and at the present time 20 men are being kept employed, each working every other week on these projects. The Public Welfare Department pays the greater part of the bill. The Better Housing League's part in this project has been made possible by contributions from generous citizens who have made special donations for this specific purpose.

NEW BUILDING CODE

For more than two years, intensive work has been done in the redrafting of the Building Code of Cincinnati in order to bring it up to date and to eliminate antiquated requirements. The Better Housing League has done all in its power to prevail upon public authorities to include housing regulations of a satisfactory standard. Unfortunately, we find that certain of the recommendations we made and which were accepted have been changed. We are urging that these agreed provisions, important to good housing standards, be re-inserted.

THE ZONING LAW

City officials have been at work on redrafting the zoning law for several years past. The Better Housing League has kept closely in touch with this work, believing the location of residential areas and the requirements for open spaces to be of vital concern to the cause of Housing. The open space requirements of a zoning law generally represent a compromise between what is desirable from the point of view of public health and welfare and the self interest of builders, contractors and architects. The provisions in the proposed new zoning

law are not adequate. We have urged higher standards and provision for larger courts in apartments to be built hereafter in the newer areas of the city.

The time will come when builders and architects will realize that the Better Housing League's contention for such larger open spaces and for less congestion of building is sound—not only from the point of view of health and welfare but from that of good business. This has already been definitely proved elsewhere. Every large project for low-cost housing in New York and Chicago in recent years has recognized this fact and in such projects, without exception, the buildings occupy less than 50% of the lot and are but 2 rooms deep.

A study of "Building Height, Bulk and Form" by the late George B. Ford and A. B. Randall published last year by the Harvard School of City Planning showed that the greatest mistake in building in recent years has been the covering of too great a percentage of the lot by buildings, with the result that light and ventilation are inadequate, rental returns are less and deterioration of values is rapid.

While the future holds promise of greater possibilities for better housing in Cincinnati, the past year has not been without its rewards and satisfactions.

BLEECKER MARQUETTE
Cincinnati

MILLION DOLLAR HOUSING PROJECTS FOR CINCINNATI

The City Planning Commission and the Better Housing League have been engaged for several months in collecting data on the congested areas of the city as a basis for the development of a master plan for slum clearance.

Through the 1930 Census facts are available by census tracts on the population, negro and white, by age groups, home ownership, rentals, the number of single-family, two-family and multiple dwellings, size of families, etc. The Public Health Federation has residence mortality data by census tracts arranged by age groups and by specific diseases for colored and for white. The Safety Department of the city has data on the crime rate by census tracts. The City Planning Commission has completed studies of the major portions of the congested area giving the population by blocks for the past four decades, property valuations for similar periods, the use and lot occupancy of all buildings, the location of sewers and water mains and other pertinent facts. The Commission is now engaged in studying possibilities of slum

clearance including a revised street lay-out and a suggested type of housing development on a Neighborhood Unit plan.

The first housing project to be submitted from Ohio to the R. F. C. was the Cincinnati Terminal Housing Development, described in the next article. This development involves an expenditure of about a million dollars. It provides for a fire-proof apartment group arranged around a large inner park, with accommodations for 432 families, at rentals for 2-room "efficiency" apartments at from \$12 to \$14, regular 2-room apartments at from \$14 to \$18, 3-room apartments at up to \$22. It is located in the congested area of the city.

Three other schemes are now being developed, only one of which has been publicly announced. This according to the announcement will embrace a fifty million dollar (\$50,000,000) project for rebuilding a large area outside of the district being studied by the City Planning Commission.

From present indications it would seem that there is hope of bringing together under one organization these various schemes. In any event it is likely that a comprehensive project will be submitted from Cincinnati to the R. F. C. before a great deal of time elapses.

BLEECKER MARQUETTE
Cincinnati

CINCINNATI'S PROPOSED MODEL TENEMENTS

The first housing project in Cincinnati to take definite form under the new Ohio Housing Law is one announced a few weeks ago by the Schwartz Realty Company. The President of that Company stated then that if they could secure a loan from the R. F. C. they were ready to construct an apartment building in one of the congested areas of the city to house about 432 families, located near the new passenger terminal.

Three separate buildings are contemplated on this site, a plot of 350 by 360 feet, now under option by the Terminal Apartment Company. At the present time there are no buildings on this land, which was cleared months ago in preparation for the railroad terminal project. The three proposed apartment buildings are to be grouped around a garden court 180 by 255 feet in size well landscaped. The buildings are to be fire-proof, 4 stories high and with a considerable proportion of the exterior walls in glass in order to provide a plenitude of light.

The buildings, the officials of the Company state, will occupy less than 40% of the land. The total cost is estimated to be from \$900,000 to \$1,000,000. The Company hopes to be able to borrow two thirds of this from the R. F. C. On that basis their paid-in capital will be about \$300,000.

The apartments are to consist of 2-room, 3-room and 2-room "efficiency" apartments, each provided with a bath. Rents will average between \$6 and \$7 a room a month. Hot and cold water will be furnished; whether or not central heat is to be provided has not yet been determined.

The tract selected is in a neighborhood that is at present largely occupied by Negroes. The Company believes that the new terminal and the boulevard approach to it soon to be constructed by the City will change the character of the neighborhood, and are, therefore, planning to rent to white tenants.

One of the provisions of the new Ohio Housing Law requires that before taking definite action on a housing project the State Board of Housing shall request a report from the City Planning Commission with reference to it. The State Board is not required however to follow their suggestions. The Planning Commission in this case has submitted a report to the State Housing Board and that Board has approved the project.

The plans are now before the R. F. C. which has not as yet announced its action.

BLEECKER MARQUETTE
Cincinnati

A PLAGUE SPOT OR A MODEL TENEMENT

IT COULD HAVE BEEN EITHER

Recently a feature article in one of Cincinnati's leading papers presented an interesting sketch of one of the city's famous and historic buildings—the old Spencer House. A teeming tenement since its decline as one of the finest hostelries of the west, the Spencer House retains no vestige of its former opulence. The old hotel opened in December, 1853, was said to have cost \$400,000. It was the favorite hotel of visiting planters from the south in pre-civil-war days and for many years was the leading hotel of the city, particularly in the days when river passenger traffic was at its height, as it was conveniently

located on the river front. Among the famous people who stayed at the old Spencer House were President Andrew Johnson, Secretary of State Seward, General Grant and Admiral Farragut.

As that section of the city along the water front began to deteriorate, the Spencer House was abandoned for hotel purposes many years ago and eventually was converted into a tenement house. From that time on, it gradually went from bad to worse until it came to be, without question, one of the worst housing spots in Cincinnati—housing more than 100 families of a nondescript type and of a very low economic and social order.

In one way the old Spencer House was well planned for housing. It was built around a large central court and all rooms opened either to the street or to this great inner court. On the other hand, there were no sanitary conveniences and no running water in any of the rooms, such facilities being entirely in the halls on the various floors. Because of the fact that there had not been for many years anything like satisfactory supervision of the building, people could come in from the street at any time and use the toilets which were almost invariably in a state of disrepair and filth.

For ten years the Better Housing League had urged that the building be vacated. Social agencies constantly complained, because the place became so objectionable for children. It was, in fact, a rendezvous for some of the worst element in the city. Seven years ago the Building Department ordered the building vacated. The order was later rescinded and some \$20,000 was spent on it for repairs. Its general condition, however, did not improve and the Housing Bureau forbade the owner from renting to families with children.

Students of housing rejoiced when on January 21, 1933, the Housing Bureau announced that the building had been found unsafe and had been condemned. The old landmark has now passed into history.

Among the things that conspired to make the Spencer House so thoroughly objectionable as a tenement were the public location of the sinks and toilets, the lack of intelligent supervision and the deterioration of the neighborhood, which in turn made it impossible to get any but low grade tenants. They finished the job by keeping the building in a condition of such insanitation that its demise was but a matter of time.

BLEECKER MARQUETTE
Cincinnati

CINCINNATI REVISES ITS LAWS

Last December Cincinnati brought its Zoning and Building Regulations up to date. The two sets of regulations, which went into effect on June 1st, are closely inter-related. Work on them has been under way for several years.

The Building Code revision has been a particularly arduous and time consuming task. Begun during the administration of the late George R. Hauser, the present Building Commissioner, C. M. Stegner, took up the work and pursued it with energy and finally succeeded with the assistance of a number of committees in whipping the code into shape.

The Better Housing League submitted its recommendations early in the progress of the revision of the code, proposing a complete and separate chapter on Housing. As the rewriting of the code proceeded, however, the plan of organizing the provisions of the code did not permit this. The subject matter covered in the League's proposals were therefore covered in different sections of the code. The League kept in touch with the developments and its Secretary met frequently with a committee of architects at a series of meetings in which all of the sections were discussed in detail.

The result was a great deal of give and take and, ultimately, a general agreement was reached on practically all issues, with the single exception of the lighting and ventilation of water closet compartments in apartment houses. The Executive Secretary of the Better Housing League appeared before the Law Committee of Council and presented a memorandum questioning the desirability of the proposed provision on this subject which permitted in apartment houses of fire resistant construction interior windowless water closets relying entirely on mechanical ventilation.

While falling far short of the ideal in numerous respects, the new Code gives Cincinnati better regulations than it has heretofore had. From the point of view of housing, the code represents a distinct advance over previous law, which was limited entirely to tenement houses and was antiquated in many of its provisions. The new law applies to all classes of dwellings.

While the task of revising the Zoning Law was not so arduous as the revision of the building code, considerable time elapsed from the period when work started on the revision until it was completed. Much of this delay was caused by differences of opinion as to whether the Building Commissioner should be an official member of the Board of Zoning Appeals, whether the administrative officer of the Board should

